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Social Customer Relationship Management

Proposal for SCRM for an IT Services Company

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Preface

This project has been an interesting and rewarding learning experience for me because this topic lies very close to my heart. I have been following the developments in CRM domain for more than five years; even before Social Media emerged to what it has become by now. The theoretical aspects of this research has been substantially influenced by the ideas of Paul Greenberg, who is considered to be one of the most remarkable and well-known thought leaders in the area of CRM and Social CRM.

I would like to extend my special thanks to Dr. Marjatta Huhta, the instructor of this Thesis for her constructive feedback, support and guidance during the study. There was constant encouragement and support from Marjatta during the Thesis Writing Clinics, and I thank her for her time and patience during my work on the drafts of this report. Last but not the least, the successful completion of this Thesis project would not have been possible without the relentless effort from Zinaida with her advice in Thesis writing.

I would also like to thank my supervisors in the case company for supporting me to do the case study in one of the leading Finnish companies and my special thanks go to one of its sales directors for sharing his valuable feedback on the operating model eventually proposed in this study.

Finally, I would like to add that without encouragement and support of my family this mission would not have been possible.

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<p>This research paper explores the advances in the area of Social Customer Relationship Management (SCRM) and selectively applies the best practices to the case company, an IT services company based in Finland. An IT services company, being B2B by nature, has its unique needs and constraints as far as CRM is concerned and distinctly different requirements when Social aspects are involved. The paper attempts to propose a workable operating model to the case company, which already has a CRM system and associated processes and who have implemented Social Media in their CRM processes only marginally.</p> <p>Case study research method has been followed in this research. In this study, the best practices for implementing social CRM are analyzed, which is then narrowed down to suit the needs of a B2B company operating in the technology domain. A recommendation proposal for Social CRM is presented to the case company, which is refined after getting the feedback from one of the senior executives of the company who is primarily in charge of marketing and sales for high-value B2B customers.</p> <p>The outcome of this research is an improvement proposal for existing CRM process and system in the case company by adopting Social CRM. The proposal includes guidelines for a Social CRM strategy as well as tools and steps for executing that strategy. The guidelines range from very fundamental changes in attitude within the company in dealing with customers to detailed action plan in implementing the proposed Social CRM program. Though the research has been carried out with the case company in mind, the findings in this research are applicable to any B2B company in the same or similar industry.</p>	
Key words	Social Customer Relationship Management/CRM, Social Media, Strategy, Social Customer

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1 Introduction

This study aims to explore the means and practices currently used for social customer relationship management (CRM) in order to selectively apply these findings to the case company, by providing improvement proposals to its existing CRM system and process.

1.1 Overview of the Problem

The emergence of social media and other Web 2.0 tools has dramatically changed the ways in which companies interact with their customers. While social networks began as a means of communication among individuals, businesses are now trying to capitalize on this trend, and search for specific strategies and tactics to derive value from it. (Metz 2008) This may be considered as a proof that companies acknowledge the benefits of adopting social media as part of a core business process.

On a general level, social networking can be described as the convergence of technologies that make it possible for individuals to independently communicate, exchange and share information, and form new communities online. As such, social networking has a big impact on the modern business world. For instance, getting advice, product information and technical help is increasingly being provided from consumers to consumers, in some cases without involvement of the actual provider. For businesses, this shift presents both opportunities and risks. To derive greater value from these trends, businesses are now faced with a compelling challenge to adopt a social customer relationship management [Social CRM] in their portfolios. Such a move promises to help them reach to customers at more points and much earlier in the buying process, with the prospect of practicing sales at a lower cost than those through more traditional marketing, sales and customer service channels (Wauter 2009).

This Thesis attempts to explore the means and best practices currently used for social CRM implementation and subsequently aims to selectively apply these findings to the case company, for which the improvement proposal to the CRM system is developed.

1.2 Case Company

The case company, Tieto Corporation is one of the largest IT services company in Northern Europe and a global leader in certain IT segments. The company focuses on

serving large and medium-sized organizations in its main markets, which are Northern Europe, Germany, and Russia. The company has more than 18,000 employees and is listed in NASDAQ, Helsinki and Stockholm stock exchanges. The revenue for the company in 2011 was approximately EUR 1,800 million.

The company's expertise covers such industries as Automotive, Energy, Financial Services, Forest, Healthcare, Manufacturing, Public Services, Retail/Logistics, Telecom/Media and Welfare sectors. In addition, it provides services and solutions for unique high-value-added end-to-end service as part of its horizontal offerings.

The company has four business lines; Industry Solutions, Enterprise Solutions, Managed Services and Product Engineering Solutions. The company's services in the Industry Solutions category provide solutions to industry-specific needs. Industry solutions are often based on products or components that are developed by the company. On top of these, the services include industry consulting and customer-specific integration work. Enterprise solutions are used in processes and business situations common for all industries. Managed services comprises application management, i.e. maintaining, developing and enhancing existing applications under a long-term contract, and ICT infrastructure services that ensure continuous operations for the customers. Product engineering solutions comprise design, development and maintenance of software for the customers' products. The company's R&D offering covers telecom networks, mobile devices as well as automotive and industrial R&D areas. (Tieto 2012)

According to the company's strategy report for 2012-2016 (Tieto 2012), the company aims to focus on markets where it can be among the Top 3 IT service providers. Based on the company's long experience in selected industries, the company will emphasize industry-based knowledge in its operations. The company also sees an opportunity to capitalize on the evolution of the connected world by utilizing its strong position in Telecom R&D services, global delivery capabilities and proven quality. (Tieto 2012)

1.1 Research Objective and Question

The objective of this study is to prepare a proposal for social CRM approach in the case company that will offer both the strategy as well as implementation aspects of such approach.

The Research question for this Thesis can therefore be formulated as follows:

What is an appropriate Social CRM approach that would help the case company retain competitive advantage in the industry?

Resolving the above research question will imply finding answers also to the following question:

- *What are the current CRM process and tools used by the case company, and how far do they integrate social media into it?*

Answering these questions will allow formulate a comprehensive answer to the main research question, with the ultimate goal of creating a recommendation proposal for the case company for implementing social CRM.

1.3 Research Design

The research design is grounded in: a) theory search and literature analysis, based on which the conceptual background frames the research questions for the interview were developed; b) data collection and analysis, including the key stakeholders interviews and comparative analysis of case studies. In this Thesis, interviews with three of the key stakeholders in the case company were selected as the main data source for the recommendation proposal building. In addition, the overviews of two relevant case studies were analyzed, the contents of which alone were not sufficient to justify the generation of the new model. Figure 1 describes the research design of this study.

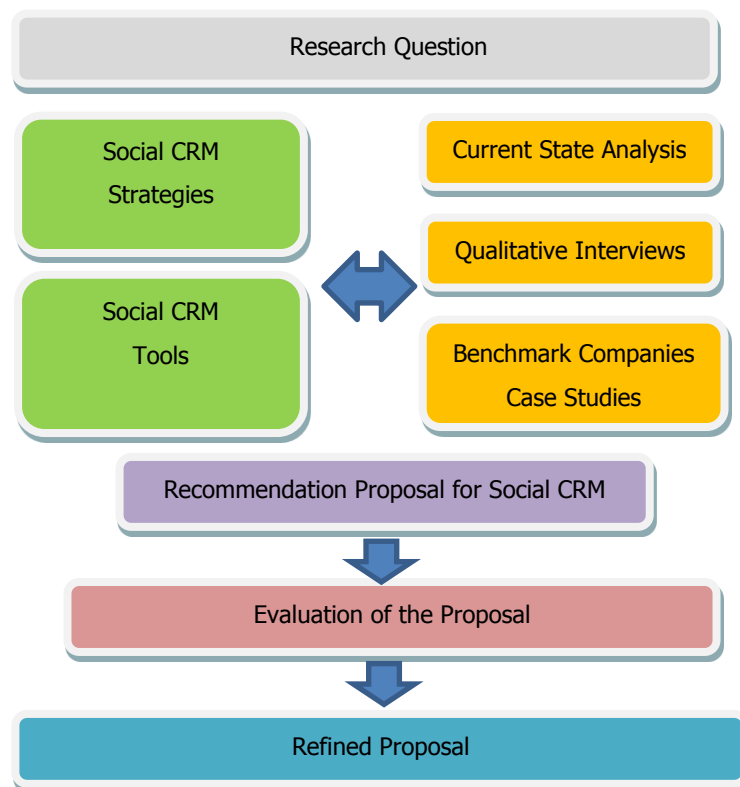


Figure 1. Research Design

As shown in Figure 1 above, the overall design of this research has into two divisions, the analysis part and the modeling part. The analysis part is logically further divided into two subdivisions. The first subdivision of the analysis part includes literature study (theory) for primarily two areas, Social CRM Strategies and Social CRM Tools. Books and journals are the primary sources of data for the literature study.

The second subdivision of the analysis part focuses on the data collection. The data collection includes current state analysis, qualitative interview as well as case studies of benchmark companies. The current state analysis gathers information on the current CRM process and system in use in the case company. The analysis is strengthened by feedback from qualitative interviews with three key stakeholders who are also active users of the CRM process and system. The feedback features not only the manner in which the CRM system is practically used, but also on their individual opinion on how the system and process could be improved, that includes using social media. The analysis part is also reinforced by two benchmark case studies of companies that have used social media successfully increase their competitiveness.

The analysis part is followed by the modeling part where a recommendation proposal is prepared based on the analysis. The proposal is subject to evaluation by one of the key stakeholders in the case company. Based on the feedback from the informant on the merits and drawbacks of the proposal, a refined final proposal is prepared and presented to the case company.

1.4 Method and Material

This section describes the research method and the material. The first subsection presents the research method, and the second one enunciates various sources of the material.

1.4.1 Research Method

For the purposes of this Thesis, a case study research methodology is chosen. Given the research questions, the case study approach is found to be one of the most appropriate methods. According to Robert Yin (1994), a case study is more suitable than surveys, experiments, and other research strategies when "a 'how' or 'why' question is being asked about a contemporary set of events over which the investigator has little or no control (Yin 1994: 13). This fits appropriately with the nature of this exploratory study.

The essence of the case-study approach is to collect many different types of data and use them "in a triangulating fashion" (Yin 1994: 13) to arrive on an explanation of what happened. When multiple sources of information converge, it results in confidence boost that the series of decisions occurring in a case, the manner in which they are made and implemented as well as the results achieved have been thoroughly understood.

In this Thesis, after developing the theory using literature studies, case selections are made along with the data collection protocol. The case company, being the focus of this research, remains the primary case study company. Two other companies are analyzed, which serve as benchmark case studies for this research. Multiple data sources are used to ensure validity and reliability.

1.4.2 Research Material

Books, journals, internet resources, case company intranet resources as well as feedback from interviews with experts and stakeholders within the case company have been used as research material in this research.

Due to the lack of sufficient academic research on social media, only a few books have been used to build the theory, with the research by Paul Greenberg (2009) being the most relevant for this Thesis. In addition, blogs, articles, quasi-scientific surveys and white-papers conducted by practitioners and industry leaders, are selected to make a foundation for data gathering. The websites are carefully selected based upon the reputation of the site as well as the content authors.

While selecting the structure of the interviews, the semi-structured type of research interview is chosen for this study, since the informants have to depart from the schedule to speak about what they think is important. In this Thesis, interviews with three key stakeholders in the case company are selected as the main data source for recommendation model building.

<i>Informant</i>	<i>Position</i>	<i>Length</i>	<i>Themes</i>	<i>How documented</i>
Hans Prag	CRM Process and Tool Manager	N/A (Email)	Current CRM process in company and improvement ideas using social media	Email
Gohar Saleem	Pre-sales executive	30 min.	Current CRM process in company and improvement ideas using social media	Audio recording/ Email
Timo Helander	Sales Director	45 min.	Evaluation of the improvement proposal	Audio recording/ Written notes

Table 1. List of Interviews

Table 1 above shows the details of the interviews conducted as part of this research. The interviewees have been selected by their role in the organization and their knowledge of the CRM process and system in the case company. All the three informants are associated with the sales and CRM departments with varying roles. Parts of the interviews are conducted by email. For the parts where face-to-face meetings are conducted, the researcher has written down notes on paper in addition to recording the audio. The list of interview questions is documented in Appendix III in this research report. These questions work as a basis for the interview and it is not expected that all the interviewees could answer to all of them.

The data from the interviews is further triangulated by two benchmark case studies on B2B social media. The data for these case studies are obtained from publicly available sources in the Internet that includes the company websites as well as reputed blogs on those cases. The underlying strategies for social media implementation for those companies along with execution examples are analyzed in the case studies.

1.4.3 Validity of Material

Validity of the material is often not easy to ensure. In this study, validity in theoretical parts is achieved by using well referenced and known sources. In the interviews, the researcher's knowledge is used in addition to the organizational positions to select correct persons from different departments.

Regarding the use of websites and blogs as data sources for this Thesis, these resources are used due to the rapid development of the area and the need for up-to-date content. Since the contents in websites and blogs tend to be based upon subjective opinions, it should be treated as a problem of validity. To deal with the validity of the research based on internet content, the study follows the relevant information only on creditable websites written by thought leaders in the area of Social CRM.

In practical part of the study, validity means that the descriptions of the CRM process and system are correct or unknown areas are at least pointed out clearly. This is ensured by collecting similar information from multiple sources and cross checking them to rule out any anomalies.

1.2 Research Structure

This Thesis consists of eight (8) sections followed by three (3) appendices. The first (1) section introduces the case company and the problem statement. It also describes the research method and design followed in this Thesis.

The second (2) section includes the core theory based on literature study. It introduces the concept and CRM and social CRM, the differences between them as well as the key metrics followed. It also discusses about the various social media tools available and their merits and demerits in the CRM context. In the third (3) section, the theory of social CRM strategy is introduced, which is followed by two benchmark case studies of companies who have successfully implemented social CRM to their benefit. The case studies explore the strategy followed as well as implementation examples by the companies.

The fourth (4) section of the study describes the current state analysis. In this section, the current CRM situation of the case company is analyzed, which includes the processes followed, the tools used for core CRM and the extent to which social media has been adopted into its CRM processes. In section 5, the first proposal is prepared based on the literature study and data collected. The proposal includes both strategy and implementation parts. Section 6 discusses the evaluation of the first proposal. Section 7 describes the refined proposal based on the evaluation. Finally, the conclusions and summary are discussed in section 8.

2 Social CRM

This section overviews some fundamental aspects of CRM, including its key components and the metrics followed to measure the success of a CRM initiative. It goes on to define social CRM, its difference from traditional CRM and various tools that are used in order to implement a social CRM initiative.

2.1 Customer Relationship Management (CRM)

CRM (Customer Relationship Management) is a relatively recent strategy adopted in the marketing and sales domain. It is based on the fundamental belief on part of business practitioners that it is more cost effective to increase revenues through working with existing customers than to pursue growth through attracting new customers.

2.1.1 CRM Definition

The meaning of the term (customer relationship management, CRM) as perceived and interpreted by companies and executives remains confusing. For some, CRM is a bridge between marketing and IT, implying that CRM is an IT-enabled sales and service function. For others, CRM is little more than precisely targeted one-to-one communications.

It is impossible to state precisely what customer relationship management (CRM) means to everyone (Harris 2009). The reason for this is that the term has been used for various parts of business that are even remotely in contact with the customer. However, some definitions are worth mentioning.

Buttle (2000) believes that CRM is "the development and maintenance of mutually beneficial long-term relationships with strategically significant customers" (Buttle 2000:32).

According to Anderson and Kerr (2002), customer relationship management is "a comprehensive approach for creating, maintaining and expanding customer relationships" (Anderson & Kerr 2002). The word "comprehensive" means that CRM needs to be imbedded in every part of the organization. If CRM is delegated to only one unit or department, the relationships with the customer will suffer. Business practitioners believe that the biggest profits are earned if CRM strategies are aligned through all company departments (Deck 2004).

According to Deck (2004), CRM is "a strategy used to learn more about customers' needs and behaviors in order to develop stronger relationships with them." There are many technological components in CRM, but if a company concentrates on the technology instead of the strategy, the relationship with the customers will again suffer (Deck 2004)

The strength of CRM, by contrast, is that it recognizes that keeping customers over the long term is the road to profitability (Godin 1999: 18). According to Godin, "instead of trying to find new customers for the products you've already got, you find new products for the customers you've already got. And once you do that, everything in the company becomes different." (Godin 1999: 18)

2.1.2 Key Components

According to a popular classification, the CRM domain can be broadly categorized into three areas, namely *Operational*, *Collaborative* and *Analytical* CRM types (Metagroup 2007).

Collaborative CRM is meant to deal with all the interactions the company has with its customers. Customers use a combination of text, data, short message, fax, diagram, voice, video, chat, multimedia, email or IVR to communicate with the company. Systems that allow to manage these interactions and collaborate with the customers, are termed as 'Collaborative CRM'. In fact, the core foundation of a CRM strategy actually begins with Collaborative CRM.

Operational CRM is the visible part of CRM that helps to deal with customer transactions. It includes marketing automation, (including campaign execution), sales automation and customer service (including traditional customer support). Agents create requests on customers' behalf (when they contact through Collaborative CRM); and these requests are passed through workflows so that other departments in the organization fulfill those requests, and appropriately update the system.

Analytical CRM is the part of CRM that generates the business intelligence for the company. It may be part of the Operational CRM package, or the Collaborative CRM platform, or it may be a separate Business Intelligence software suite altogether. The primary purpose of Analytical CRM is to generate insight about customers and customer interactions in order to recognize customer behavior patterns and thereby optimize the

operational and collaborative processes. A set of business applications involved in Analytical CRM include marketing analytics, web analytics and campaign management (including campaign planning).

For the purposes of the Thesis, this classification of CRM into *Operational*, *Collaborative* and *Analytical* types is applicable as part of the social CRM analysis of the case company practices.

2.1.3 CRM Metrics

As the most important metrics, business practitioners have developed two basic different performance measurements to track the success of their CRM initiatives.

The lifetime value of the customer is the most fundamental metric. Some customers are “worth” more to the company than some others, and a simple calculation shows how to determine this value. A customer’s expected number of visits is multiplied by the average amount of money spent per visit. The costs of acquiring and servicing that customer are then deducted. The value of accounts this customer refers to the company is added in, and the sum for the time period under analysis is discounted appropriately to arrive at the final value. The underlying principle for the above calculation is that customers are more valuable than what they spend in any given time period, and some customers may be more valuable.

Share of customer is the other of the key measures for companies practicing CRM. It asks what the potential or strategic value of a particular customer is over and above that customer’s current estimated lifetime value. In other words, what is the opportunity for increasing the lifetime value by offering the customer more than she is offered now (Godin 1999:117).

These two metrics are applicable for the analysis of the case company because for a B2B company, due to comparatively much lower customer base than a similar B2C company, the value of each individual customer is much more in the customer pool than in a B2C company.

2.2 Social CRM

Social CRM shifts the traditional CRM focus from operational customer management to collaboration and customer engagement. In the traditional CRM, the relationship between organizations and customers revolve around the organization, not the customer. Presently, the rapid adoption of social networks has shifted the balance of power to the customer. Consequently, companies and organizations try to find a way in connecting with customers in order to participate in the conversation. The following subsections delve deeper into the concept of social CRM.

2.2.1 Social CRM Definition

According to Greenberg (2009), social media and (social) CRM can be defined as:

"Social CRM is a philosophy & a business strategy, supported by a technology platform, business rules, workflow, processes & social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted & transparent business environment. It's the company's response to the customer's ownership of the conversation." (Greenberg 2009: 34)

Gartner (2010) gives the following definition for social CRM.

"Social CRM is a strategy for harnessing communities to support customers and prospects, as well as sales, marketing and customer service organizations, along a purposeful and mutually beneficial business process." (Gartner 2010)

Altimeter (2011) further simplifies the definition as follows.

"Social CRM enhances the relationship aspect of CRM and builds on improving the relationship with more meaningful interactions."

Another definition from Michael Fauscette (2009) states that:

"Social CRM is the tools and processes that encourage better, more effective customer interaction and leverage the collective intelligence of the broader customer community with the intended result of increasing intimacy between an organization and its prospects and customers. The goal is to make the relationship with the customer more

intimate and tied to the company by building a public ecosystem to better understand what they want and how they interact with the various company touchpoints like sales, customer service etc. This is done in a way that empowers the customer, makes the interaction more of a Web 2.0 experience and allows the customer to interact when, how and where they choose. The tools themselves are user driven, collaborative and social in design, promote interaction and focus on user driven innovation. They may include linkages to public social networking environments as well as private company owned systems." (Fauscette 2009)

There are many similar definitions, but the essence remains the same. Thus this study perceives social CRM as a logical evolution of CRM, which is enabled by social media. Social CRM combines the database technology of CRM with the individual engagement information that is revealed by social media activities. It involves the aggregation of customer information across multiple platforms, including Facebook, LinkedIn, Youtube, Google+, Twitter, foursquare and other social networks to automatically aggregate better customer profiles. This customer in the social CRM arena is appropriately termed by Greenberg (2009) as "Social Customer".

2.2.2 Social CRM Customer

A social customer is anyone who talks about products or services, either online or offline. Compared to the social customer, the traditional customer is the one that existed as recently as a decade ago, and bought products and services and made their decisions, to a great deal, based on utility and price. Such a traditional customer communicated with the companies by letters, phone calls, and occasional e-mails, if they had the facility to do that. However, in the early part of this millennium, that type of customer changed due to a significant technological and social change. As perceived by business practitioners, the customer seized control of the business ecosystem giving birth to a new customer ecosystem (Greenberg 2009).

According to the DEIW study (2008), 70% of consumers have the experience of using social media to get information on a product, brand or a company. Furthermore, a report from The Conference Board (2007) found that 77% of adult Internet users consider blogs as a good way to get information about a company or product. These data reflect a fundamental shift from a predominantly "company-to-consumer" dialogue to a "consumer-to-consumer" dialogue. A recent survey (Forrester 2009) found that nearly

half of online users believe that information provided by other consumers is more important to them than the data obtained from marketers of products and services. This phenomenon points to the growth in collaborative information sharing among modern consumers.

However, in spite of the fact that the role and impact of the social consumer has increased in today's market, and the social customers seem to control the ongoing conversation about the products, they still do not control the business (Greenberg 2009: 323). This is a significant observation which suggests that, by utilizing this development; companies may channelize, facilitate and analyze the ongoing conversations, and make use of them for the business which they (still) ultimately control. This presents a unique opportunity and points to the main difference which distinguishes the social CRM and social CRM customer.

2.2.3 Social vs Traditional CRM

If Social CRM can be considered as an extension and development of the traditional CRM (CRM 1.0), they can be compared as for the differences and similarities, with some of the tenets applicable for both. Table 1 highlights the primary differences between traditional CRM and social CRM.

	<i>CRM 1.0 Features/Functions</i>	<i>Social CRM Features/Functions</i>
1	Customer-facing features—sales, marketing, and support; still isolated from back office, supply chain	Fully integrated into an enterprise value chain that includes the customer as part of it
2	Tools are associated with automating functions	Integrates social media tools into apps/services: blogs, wikis, podcasts, social networking tools, user communities
3	Encourages friendly, institutional relationships with customers	Encourages authenticity and transparency in customer interactions. Utilizes knowledge in context to create meaningful conversations.
4	Models customer processes from the company point of view	Models company processes from the customer point of view.

		Recognizes that the customer relationship encompasses information-seeking and information-contributing behavior
5	Resides in a customer-focused corporate business ecosystem	Resides in a customer ecosystem
6	Utilitarian, functional, operational	All those plus style and design matter
7	Marketing focuses on processes that send improved, targeted, highly specific corporate messages to customer	Marketing is front line for creating conversation with customer—engaging customer in activity and discussion—observing and redirecting conversations among customers
8	Business produces products and creates services for customer	Business is an aggregator of experiences, products, services, tools, and knowledge for the customer
9	Intellectual property protected with all legal might available	Intellectual property created and owned together with the customer, partner, supplier, problem solver
10	Business focus on products and services that satisfy customers	Business focus on environments and experiences that engage customer
11	Tactical and operational	Strategic
12	Customer strategy is part of corporate strategy	Customer strategy <i>is</i> corporate strategy
13	Innovation from the designated	Innovation from both internal and external sources
14	Focus on company customer relationship	Focus on all iterations of the relationships (among company, partners, customers) and specifically on identifying, engaging, and enabling the “influential” nodes
15	Company manages the relationship with the customer	Customer collaborates with the company
16	Technology focused around operational aspects of sales, marketing, support	Technology focuses on both the operational and the social/collaborative and

		integrates the customer into the entire enterprise value chain
17	Relationship between the company and the customer is seen as enterprise managing customer—parent to child to a large extent	Relationship between the company and the customer must be peer to peer (C2P or P2C, so to speak) and yet the company must still be an enterprise in all other aspects

Table 1. Differences between traditional and social CRM.

As can be seen from the comparison in Table 1, social CRM is, in fact, an extension of CRM rather than a replacement. Thus some of the aspects of traditional CRM remain as important as ever. In social CRM customer is now in the driver's seat as compared to traditional CRM where the company was in control. In social CRM, the purpose of CRM is changed from managing relationships with customers to engaging the customers.

The traditional model associated with CRM was transaction-focused, driven by purchases, while the social CRM related new model is interaction-driven, though transactions still matter.

In traditional CRM, the business focus is on products and services that satisfy customers, while in social CRM, the business focuses on environments and experiences that engage customer. Traditional CRM is more tactical and operational, where customer strategy is just a part of corporate strategy, while social CRM is more strategy oriented where customer strategy is the core corporate strategy.

In traditional CRM, the technology is focused around operational aspects of sales, marketing and support, while in social CRM, technology focuses on both the operational and the social/collaborative and integrates the customer into the entire enterprise value chain.

To sum up, the primary difference of CRM 1.0 as compared to Social CRM is that in traditional CRM, the company was central to the whole CRM process, while in social CRM, the customer takes the center stage, though the company's role is just as important.

2.2.4 Social CRM Metrics

Like with any initiative requiring investments, results of social CRM efforts must be continuously assessed. While the significance of such metrics is acknowledged, it is widely unknown how to measure the business results of the investments in this new medium. Besides, the usefulness of many measurements being used to assess performance is doubtful. For example, measuring how many followers one has on Twitter is the same as measuring hits on one's website. Though it is interesting because it is a number, it is actually not useful by itself. When this number is taken in combination with other factors, only then can one work it up into some kind of performance indicator. (Greenberg 2009)

Using time tested metrics for advertising, like reach, frequency and awareness, as well as more challenging metrics such as influence and sentiment; businesses can achieve social media measurability to a degree that should be more than satisfactory; certainly to a level that has historically been satisfactory for the likes of TV, print and radio. (Sterne 2010)

2.3 Tools for Social CRM

Social CRM is essentially about Social CRM strategy, not just the tools. All the tools we discuss below are important and can (but not necessarily will) play a role in the execution of a Social CRM strategy. Their purpose is to provide communication pipelines with the customers so there is a conversation with them regularly. But each tool needs to be evaluated the same way as the internal CRM tools are evaluated.

There are several different kinds of social media tools, ranging from blogs to social networks to shared bookmarking services to video podcasts. A company's objectives require a combination of tools to address different audiences and situations.

2.3.1 Blogs

Blogs are the most prevalent form of social media and the most mature. They are among the best entry points for an incremental social media plan because they are the easiest to understand and have the most commonly available tools. But that apparently does not make them easy to do in a corporate environment. Because they are still viewed somewhat uneasily, there are only 12.2 percent (61) of the Fortune 500 blog-

ging as of April 2009 according to the Fortune 500 Business Blogging wiki (SocialText 2009).

By definition, a blog is a web-based journal. It is a running account of events or thoughts or ideas that can be authored by one person or sometimes multiple people. Typically it is used by businesses for branding or to reach out to customers or internally to discuss ideas or as a team document. The business blog is defined typically by a specific focus, subject matter expertise, or a particular ongoing message or environment that the company either wants to push or allows to happen. (Greenberg 2009)

There are two companies that are known to be the undisputed leaders of blogging tools, which are Six Apart and Word Press. Each of them has millions of adherents; each has its own strengths and weaknesses. Word Press is more focused on being a platform for blogging, while Six Apart's central products, Movable Type and to a lesser extent its hosted version, Typepad, are more in the vein of a product set built to the center of a community platform, which is a social publishing platform. With the criteria being what is most representative of Social CRM, Six Apart clearly has the edge.

So far as CRM use cases are concerned, there are multiple uses for blogs in an engagement strategy. They offer direct access to senior management for customers. They are a place for customers to collaborate on ideas. They provide a place to deal with customer service issues that invites customers to help solve problems. They offer a way to link to and collaborate with business partners and sales channels.

Blogs offer a number of benefits. They encourage conversation with customers and employees. They break down social/corporate barriers; make the previously inaccessible, accessible. They provide a relatively non-intrusive place for customers to present ideas without fear. They become a forum to answer questions within hours that would otherwise take weeks. They can also be a huge plus for the company's brand image.

However, blogs can inadvertently expose one to liability. They can be a public relations nightmare if perceived as inauthentic. They seem to have issues with IT perceiving it as a security problem, though less than in the past. They can be perceived as hype if the voice of the blogger(s) does not come through clearly. And they can cost substantially if labor time is considered. (Greenberg 2009)

2.3.2 Social Bookmarking

Social Bookmarking is a derivation of social tagging that is focused around sharing and annotating different URLs and content associated with that. It is the sharing of information typically through hyperlinked site references. For example, one can use the outstanding social bookmarking tool, Diigo, to highlight content on a web page and then tag the URL, the name of the content, and some or all of the content—and annotate the content. Then one can either keep it privately or share it with her my friends, the public, or a specific group that she a part of, while inviting comments to the content she tagged or the annotations she wrote. The best known enterprise-level tool for social bookmarking is IBM's Lotus Connection.

As far as CRM is concerned, social bookmarking can be used for team collaboration, for research, for engaging communities and special groups in sharing knowledge and best practices. It can also be used for customer service knowledge bases so that the customer's actual knowledge can easily be incorporated into the company's best practices.

The bookmarks can be aggregated and shared and commented on, which provides an organic community of like-interested people who are engaged to create an outcome. Social bookmarking means that entire groups can learn of new articles, tools, and other web properties, instead of leaving them all on one machine, one browser, for one human.

However, the aggregated bookmarks can get cluttered with meaningless or useless detritus without some self-policing and constraint going on. It can also be complex to organize and maintain as the number of bookmarks increases.

2.3.3 Social Search

Social Search is a new area that has been around. But at this stage, the CRM-related use cases are primarily related to sales, though potentially there are going to be many others as it evolves.

Social search involves more than traditional Internet search. On the one hand, Internet search provides a somewhat disorganized but always important, useful and fast way of getting what one needs. But social search takes it a step further because, when used appropriately, it can combine corporate structured data with external unstructured da-

ta, such as profile information from Facebook or customer feedback from external forums, and make it into useful knowledge.

Companies like SAP have strong social search engines that can perform social search. If it is sales-related data, the Oracle Sales Prospector application has major capabilities. On the standalone side, InsideView has a product that combines social search and some analytics called SalesView Team (the enterprise version of Sales-View) that provides not only the corporate data that expected from Reuters or Hoovers, but also information like who has moved to another company, who has been promoted, what acquisitions are made and has integrated it into the respective salesforce.com or SugarCRM dashboards, among others.

In the CRM domain, social search can deliver not only the normal static data from Hoover's and so on, but also business intelligence from social networks and other less standard sites that can decrease the lead to closing cycle time (such as Rearden Commerce using SalesView).

Social search engine mines internal and external data that will provide the company with the insights one needs to decide what the best product mix and approach would be toward a prospective customer (for example, Breg, Inc., using Oracle Sales Prospector).

Considering the benefits of social search, the resulting sales data is dynamic and provides information that gives insight into a lead, prospect, or existing customer. The information is integrated into the CRM dashboard and the transactional databases. The social search tools are relatively easy to use and take little training to be up and running.

However, social search is not without its downsides. The information is substituted for judgment which is a frequent problem with social search. Additionally, the search is inaccurate due to the terms defined by the searcher. Wrong decisions made based on the information that was right in the context of the wrong search.

2.3.4 Enterprise Wiki

A corporate or enterprise wiki is a wiki used in a corporate (or organizational) context, especially to enhance internal knowledge sharing. Wikis are increasingly used internally by companies and public sector organizations, some as prominent as Adobe Systems, Intel, Microsoft, and the FBI. Depending on the size of a corporation, they may add to or replace centrally-managed content management systems. Their decentralized nature allows them, in theory, to disseminate needed information across an organization faster and cheaper than a centrally controlled knowledge repository. Wikis might also be used for project management (better collaboration) and even marketing purposes (wikis for customers).

There are several free and inexpensive wiki applications available, but the one that would stand out in the pack is Socialtext. For small businesses, PBworks, and Wetpaint are the two popular hosted wiki services.

With regards to CRM use cases, wikis drive collaboration between customers and employees, which in turn drive innovation (IBM, Innovation Jams). They are a uniquely flexible tool for project management. They can be a repository for a manageable yet still dynamic knowledge base and even an on-demand content delivery system. They allow one to tap external resources for knowledge and insight.

Wikis constitute a dynamic tool that is controlled by its users. Technology companies are making serious strides to integrate wikis into the enterprise system and Web 2.0 tools (e.g., social tagging) via standard web services. Enterprise-level wiki technology allows all the necessary security, scalability, and administrative control.

The major drawback of wikis is that there are no guarantees about the veracity of the material provided. Adoption is often slow for the same. Also open editing leaves some susceptibility to serious cyber-attack.

2.3.5 Podcasts

Podcasts provide a truly viable platform for content delivery and a real opportunity for unique branding. Ironically, while there are millions of podcasts and hundreds of millions of episodes, their adoption as a business tool is low.

By definition, a podcast is an audio file that uses RSS (Really Simple Syndication) to distribute the broadcast to subscribers or allow them to download it to computers or portable music devices. The content is usually specific to an interest or some other kind of theme.

There are no specifically major enterprise-level podcasting creation tools. Any major music editor such as Bias Peak Pro (Mac) or Adobe Audition (PC) works well with the creation and editing of a podcast. Most of the latest versions incorporate podcast publishing tools as well.

In CRM arena, podcasts have certain limited but important advantages. They are good learning tools (e.g. MIT OpenCourseWare programs). They can support a marketing effort that is focused around mindshare and thought leadership. They are useful for internal education and for do-it-yourself information (such as in the case of Cleveland Clinic's Center for Continuing Education). They reach tech-friendly audiences that might not otherwise be reached.

Since podcasts are audio or video files, attention paid to the material is considerably higher. They encourage different types of learning, and in portable formats so the listener can control their learning experience, thus increasing both information retention and improving brand image and reputation of the company because the company is providing the capabilities.

The enterprise manages the podcast production process from end to end so that the company has enormous command over the presentation and choice of material they make available and the frequency and length of the episodes.

With respect to its downsides, podcasts can be labor intensive and, thus, time consuming. Even though podcasts are expected to be informal and authentic, there is an expectation of professional production values, thus driving up the costs of the effort. Inconsistency in length or frequency, not just bad content, is often disliked by listeners.

Summing up, wikis, blogs, social bookmarking, podcasts and social search are only some of the tools available in the social media world that can be used to enhance the CRM functionality. These tools are especially relevant keeping the case company's requirements in mind.

3 Social CRM Strategies: Company Examples

This section defines and discusses social CRM strategy. It further describes the best practices in social CRM strategy as perceived by CRM experts, which is followed by some company examples where those companies have developed innovative social CRM strategies to achieve outstanding results.

3.1 Definition of Social CRM Strategy

According to Paul Greenberg (2009), a social CRM strategy, if considered on a broad level, is the one that is focused around customer engagement. It differs from more traditional CRM strategies since its primary concern is not managing relationships that are based on understanding a customer's transaction history and behavior, but on treating the customer as a partner who will, in return for benefits of some kind, provide value to the company. (Greenberg 2009: 474)

3.2 Social CRM Strategy: Best Practices

Though every company has its own unique characteristics and needs as far as devising social CRM strategy is concerned, on a broader level, there are some best practices proposed by CRM experts.

Chris Bucholtz (2011), a recognized personality in the CRM world, recommends five steps to develop a social CRM strategy.

Step 1: Finding the Customers

The company needs to learn how its customers relate to social media. Many people connect to the major social media sites, which have broad appeal and large user communities, such as Facebook and Twitter. A second class of sites attracts people based on their interests. There are social networking sites for different kinds of people, from schoolteachers and sports fans to parents and programmers. The company needs to find out if and how its customers relate to any of these sites.

The company also needs to keep a watch on sites that might have a peripheral connection to its products and services. As far as social media is concerned, this means following their interests not just their buying habits.

Step 2: Learning the Language

Once the company locates the places where its customers are either talking about the company or about issues that relate to its business, it should spend some time observing how the group works, who its leaders are, and the kind of language and tone the members use with each other.

Step 3: Listening to the Conversation

This is the step that precedes the actual participation of the company in the conversation. After the company identifies multiple social media channels to track, it should consider dedicating a staff member(s) to social media, whose responsibility would be to keep track of the sites chosen, coordinate responses to conversations, and incorporate data from conversations into the company's CRM system.

Listening is facilitated by social media monitoring and sentiment measuring tools. Listening tools can tell what is being said and where, whereas sentiment tools can gauge the general tone of the conversations that relate to the company.

Step 4: Engaging with Customers

When the company is ready to engage with customers in a social media conversation, it should establish clear rules about who does the talking and where they do it. Someone from service could participate in conversations on a site where service issues are discussed, whereas an engineer would be appropriate on a site geared toward developers.

The company can also start its own conversations. It could begin with a legitimate question about its customers and what they are thinking about the same. This approach can deliver actionable intelligence more quickly and inexpensively than a formal survey.

Step 4: Making use of the Learning

Technology has its limitations in that it cannot automatically detect the social media data relevant to the business and sort it by the customers or accounts. People engaged in conversations and monitoring social media sources will need to manually incorporate important information into the customer records. The use of social media information

also involves careful process design. For example, since a call for help in social media is heard by many people, the transfer of responsibility from social media monitor to a designated service contact to the service personnel who can respond is vitally important. The same is true for sales, marketing, and product development.

The above steps are only of generic nature. The company that is planning to develop a social CRM strategy needs to customize and detail this with respect to the industry it operates in, its brand value, its products and services, the geography and culture it operates in and any other unique characteristics the company has that has potential to impact its social CRM initiative.

3.3 Social CRM Strategy: Practices in Companies

The following subsections demonstrate some practices that companies adopt as a social CRM strategy in order to affect their performance. This description is based on the information collected from published sources which is classified to focus on the Social CRM content.

3.3.1 Proctor and Gamble

The example of Procter and Gamble (P&G) is often cited as one of the well-known companies that used social media to leverage its brand name and launch some successful products. P&G is a relatively large company with more than 135,000 full-time employees and approximately \$80 billion in revenues in 2009 (P&G 2012).

Background

In 2005, P&G established a program called Social Media Lab. The goal of this program was to enable the company to study the new dynamics of customer relationships in the age of social networking. According to Deborah Schulz (2008), one of the primary architects of the Social Media Lab, by encouraging brand managers to pay close attention to what customers were saying on community sites and other social networking places, the Lab has helped P&G redefine how it engages, communicates with and uses marketing to influence consumers. (Schulz 2008)

The Social Media Lab proposed high-level guidelines on which the P&G's subsequent social media strategy was based. The following table summarizes the basic elements of the guidelines proposed by the lab.

Objective	Example
Listening	<ul style="list-style-type: none"> - Develop a sounding board – private community - Monitor buzz for ongoing assessment of trends and perceptions [buzzmetrics]
Talking	<ul style="list-style-type: none"> - Enable fans to spread message [widgets, embeds] - Continually communicate directly with consumers and monitor feedback [blogs]
Energizing	<ul style="list-style-type: none"> - Designate fans to lead others – brand ambassadors - Enable reviews, ratings to harness fans as sales
Supporting	<ul style="list-style-type: none"> - Enable customers to help each other [wikis, community] - Enable customers to build solutions together
Embracing	<ul style="list-style-type: none"> - Enable customer ideas in public setting - Engage in co-creation of products and services

Table 2. Basic Social Media Framework for P&G *Source: Schulz 2008*

As mentioned in the above table, “listening” primarily meant monitoring the web for relevant conversation related to the company. Using a tool such as *Buzzmetrics*, the company could collect information on how consumers felt about the brand and its products in their words, how online conversations could power or degrade its brand and how company’s online and offline marketing campaigns were received by the consumers. “Talking” mostly meant the blogging initiatives by the company.

Strategy and Implementation

Based on the above guidelines, P&G prepared its social CRM strategy to help assess and guide social and online strategies for its brands. As expected, the framework began with a thorough understanding of the brand’s core consumer. The following steps describe the strategy in brief. (Marsh 2010)

The key was to find why the the customer was online and what messages would resonate with her. For example, P&G found that the Olay Pro X consumer was very savvy with online research. The partnership with online health portal *WebMD* fit perfectly for her. That gave P&G an opportunity to help supply content.

As the second step, the company migrated from a holistic messaging practice to an interdependent message environment. Instead of the traditional messaging strategy where a single message was communicated across all media channels, the social media strategy was to use a common narrative throughout the media, but letting the

messaging be tailored to the medium's role and strength. For example, the Hugo Boss brand fragrance set up a hugocreate.com site to encourage the design creativity of its core consumers. Thousands of consumers submitted unique versions of the brand's iconic army flask. P&G then migrated many of those designs to use in the traditional advertising.

P&G uses a proprietary internal system to monitor majority of consumer reactions, responses and comments for each of its brands. In addition, many of the company's brands now have "community managers" (CM's) who are tasked with monitoring and responding to the brands' social community. The community managers listen to what is being said and then engage with consumers in certain areas. To determine which are as to engage, each brand has set up a few topic areas that trigger engagement by the CM. For example, Pantene focuses on consumers comments looking for "tips & tricks" on healthy hair. The CM's response is designed to strengthen Pantene's healthy hair position.

In addition to starting the conversation, P&G built in a message refreshing process. Message refreshing provides an ongoing push to encourage more engagement with the existing social networks. Thus, instead of waiting and reacting, the brands develop a message refreshing framework. In order to use that framework, P&G looks at "conversation calendars" to help know what topics consumers would be talking about. Conversations may center on, for example, the *Oscars* in March, the *World Series* in October, or any other external events that help plan how to refresh the message.

The following table summarizes the above strategy with implementation examples.

Action	Implementation Example
Understand the customer	Partnership with WebMD
Switch to interdependent messaging environment	Hugocreate.com site
Listen continuously	Pantene consumer comments for "tips & tricks" on healthy hair
Build in message refreshing	Conversation calendars

Table 3. Strategy with Implementation Examples for P&G

Source: P&G 2010

Summary

P&G has utilized most of the available important social media channels combined with some innovative marketing strategy. But their key strength has been the ability to build online communities around its brand while keeping its products in the background. When used properly, community building can be an effective approach to expanding brand, attracting brand advocates and creating trust between the company and its customers, and in the end this could be one of the most effective ways to increase sales (Greenberg 2009). This was proved right in the case of P&G.

3.3.2 Fiskars

Fiskars is a 363 year old (as on 2012) international company based in Finland that manufactures tools for home, garden, office and crafting. It is an established brand with revenues of EUR 742 million in 2011. In addition to having *Fiskars* as a brand, the group also owns other internationally known brands such as *Ittala*, *Arabia*, *Hackman*, *Gerber*, *Silva* and *Buster*. (Fiskars 2012)

The case study of Fiskar's social media success has been also discussed in various journals and academic circles. They had their unique approach to social media that paid off more than the company expected at the beginning of the initiative.

Background

Unlike most other companies, Fiskars did not adopt social media only because its customers and consumers expected to see its presence in social networking sites. It was out of a real need that the company faced for which social media coincidentally offered the most appropriate solution. Fiskars knew that the products it manufactures, such as scissors, do not invoke passion among its customers. In the process of finding out in what way it could generate the customers' excitement, it discovered that even though the products themselves do not build much interest, many of its customers were active crafter who used the company's tools to do things such as decorating photo albums, quilting, card making and jewelry making. They also were very social, with many of them belonging to both online and local craft groups and others involved with teaching arts and crafts to others. This meant that many of them were already part of other groups and communities and, if Fiskars could plug into their passion, they could turn out to be very effective brand advocates.

Strategy

In addition to having presence on popular social networking sites, Fiskars planned to create and focus on an exclusive blog for the community where the crafters would blog, connect with other crafters and share their creations. Social media would enable this online community to go a step further, to form local chapters and meet each other physically offline. These face to face interactions, including meetings, would get blogged making them widely disseminated so the entire community would benefit.

The company would identify some Fiskars-users who would be extremely passionate about the brand and the company would make them consumer evangelists, who then would actively blog and evangelize the brand, potentially creating more evangelists in the process.

The key concept (Falcow 2012) behind the Fiskar's social media strategy is described in the following diagram.

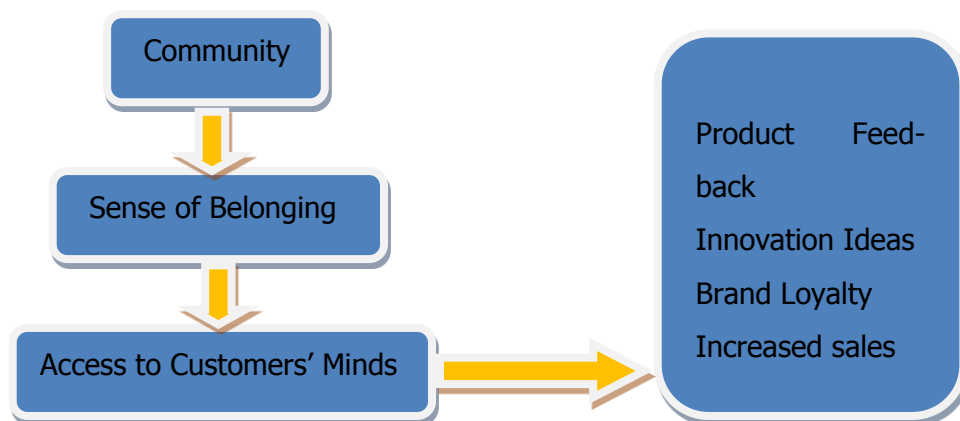


Figure 2. Fiskar's Social Media Strategy

Source: Falcow (2012)

As shown in the Figure 2 above, the online community would lead to sense of belonging among the participating members. This bond with the customers would further provide access to their minds. Once the company has access to their minds, this would provide product feedback, innovation ideas, brand loyalty and ultimately leading to increased sales.

Implementation

Keeping the above strategy in mind, during 2006, Fiskars launched a Word of Mouth Marketing campaign by creating the blog/website called *Fiskateers.com*. Four women were selected to lead this new community of online and offline crafting ambassadors and drive positive, inspiring dialogue about crafting and Fiskars tools. These four customers served and are still serving as the primary leaders of the community. They produce content for the blog, upload images, engage with community members, request and manage content and blog posts from other members, also called *Fiskateers*. They also organize the ongoing offline events and meet-ups in their respective areas and help other members to do the same. (Fiskars 2012)

Each lead *Fiskateer* is in charge of a Traveling Trunk filled with the latest crafting supplies and goodies. Trunks and a supporting *Fiskateer* travel to craft retailers with supplies for use in classes, product demonstrations, training store staff, or just exploring. Each trunk focuses on a specific area of crafting. *Fiskateers* switch trunks quarterly so there is always something new to explore and demonstrate. (Fiskarcrafts 2012)

The role of *Fiskateers* is multi-dimensional on a broad level. First of all, they are passionate Fiskars brand ambassadors. Besides, they are also end consumers of Fiskars product or retail customers purchasing Fiskars products to sell to end consumers. It is seemingly a self-feeding mechanism where *Fiskateers* market to the same community that they are members of, and that they are passionate about.

Fiskars does have presence in other important social media tools like Facebook and Twitter as well. But these two platforms are not as specialized as *Fiskateers.com*, but they promote the Fiskars brand in general.

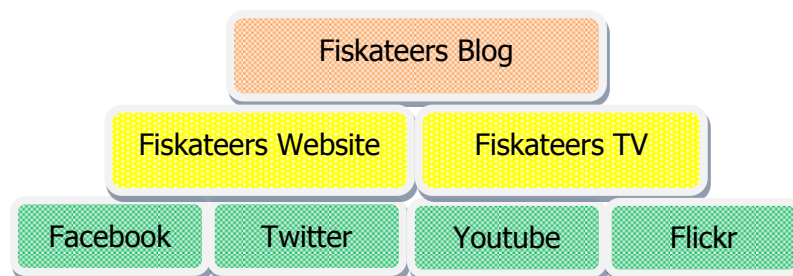


Figure 3. Social Media Platforms Pyramid for Fiskars

As shown in the figure above, the social media (and related marketing channels) platforms and programs can be visualized in terms of a pyramid. At the bottom, there are broad social media channels, like Facebook, Twitter, Youtube and Flickr, that promote the brand overall. In the middle is the Fiskars website, with Fiskars TV, contests that might attract user generated galleries, articles, projects and similar kind of elements. Finally, at the top is the *Fiskateers* blog which is the realm of the focused and dedicated enthusiasts.

Summary

Fiskars was successful by realizing that it is not about their products; rather it is about their customers and what their customers create with their products. A group such as the *Fiskateers* is a proof that even mundane products can take advantage of social media to build passion groups where members do all the work to spread the word of the brand and the product. Fiskars strategically created content that appealed to their desired audience by effectively telling their story and building relationships with their audience. And in the process Fiskars has helped build one of the most vibrant online scrapbook communities, the success of which has been widely published and followed as a best practice of how a brand listened to its followers, saw a need, and created powerful toolset to benefit their most loyal customers.

One of the lessons learnt from the Fiskars case is that creating a community with an emotional connection to a company's product is a big sales advantage, but it can come with a long-term commitment. It is also learnt that it might not be very clear to the company at the beginning as to who its community really is. Fiskars had always assumed that its core crafting audience was over 45, but its campaign revealed that many of its consumers were much younger (Ochman 2008). That information helped it design new products. Another lesson learnt from Fiskars is that once a company has created the community, it should listen. Fiskars made several changes to its products based on what it discovered through its *Fiskateers* community. Doing so helped build customer trust and loyalty (Ochman 2008).

3.3.3 Dell

Dell, Inc. is a multinational computer technology corporation based in Texas, The United States. The company develops, sells and supports computers and related products and services. It is one of the largest technological corporations in the world, employing more than 103,300 people worldwide. (Dell 2012)

Dell caters to both B2C and B2B customers. In this case study, one of the successful endeavors by the company for its B2B customers using social media is explored, since this is more relevant to the primary case company in this research.

Background

Dell wanted to use social networks to listen and engage with their B2B customers, thereby building and nurturing these deep relationships with them. The company launched two programs called Listening Command Center and Trade Secrets program with the above objective in mind, and they were successful that won them several awards for this achievement.

Strategy

Dell had a two-step strategy in their pursuit to use social media for its B2B customers. First, the company needed a platform to monitor what the customers are discussing about Dell all over the world. They then would use that information for product development, customer service, marketing, sales, or anything that can be improved based on the feedback that they get. This was the key idea behind setting up the Listening Command Center by the company.

As a second step, they needed to go beyond simply monitoring or listening to the conversation. They wanted to also engage those customers. They especially wanted to target the small businesses to position Dell as a leading provider of technology solutions for this sector. The company had an insight that peer credibility is critical to small businesses (SMBs), where the professionals look to colleagues and experts for "secrets to success". But the challenge was to leverage this insight to drive word of mouth recommendations for the company's products among SMB professionals and Influencers. Hence, the company planned to create product trial opportunities to generate awareness of and recommendations for its products and then energize small business Influencers and professionals into an online community, sharing advice. This is how the Trade Secrets Program was created.

Implementation

As mentioned in the previous section, monitoring and listening to the SMB customers was the primary objective of the company's Social Media Listening Command Center program, so that response time would be faster to address customer issues through social media platforms. The company used a social media monitoring tool called Radian6 to power the data collection. The center tracks on an average more than 22,000 daily topic posts related to Dell, as well as mentions of Dell on Twitter (Radian6 2011). The information is then sliced and diced based on topics and subjects of conversation, sentiment, share of voice, trends and geography.

Engaging the SMB customers was the main goal for the Trade Secrets campaign as noted in the previous section. The Dell Trade Secrets campaign facilitates the sharing of advice and insights among small business professionals. The first product introduced through this program was Vostro V130, a sleek new laptop for SMB professionals. Dell began by identifying and vetting a list of around 150 Influencers in the US and UK, with areas of expertise ranging from Entrepreneurship to Social Media to Technology.

The company then distributed Vostro V130 laptops to enable hands-on interaction with the product, energizing SMBs to share recommendations and encourage trial among others. Various opportunities for participation, including Twitter chats, giveaways and offline events, helped to create additional occasions to interact with Dell, exchange valuable business insights, and be part of a cohesive SMB community.

As an outcome, this initiative surpassed all metrics the company established at the beginning of the campaign. Specifically, the goals were exceeded for Trade Secrets Facebook posts by 547%; tweets by 8235%; blog posts by 113%, and total digital impressions by 250%. (Z'calo 2011)

Summary

The case study of Dell's social media efforts shows how a simplistic strategy for B2B customers, when executed in an innovative manner can bring success to the company.

3.4 Common Social CRM Strategies

As it was demonstrated on the examples Social CRM strategies that companies practice, there are a number of basic strategies especially popular with the organizations. These strategies help companies better leverage social networking as part of their overall customer management strategy. These strategies can be summarized as the following five basic steps (Bucholtz 2011):

a) Companies identify the customers

Companies, who are successful in implementing social media, first of all learn how their customers relate to social media. Many people connect to the major social media sites, which have broad appeal and large user communities, such as Facebook and Twitter. A second class of sites attracts people based on their interests. There are social networking sites for different kinds of people, from schoolteachers and sports fans to parents and programmers. Companies find out if and how their customers relate to any of these sites. The companies also keep a watch on sites that might have a peripheral connection to their products and services. As far as social media is concerned, this means following their interests not just their buying habits.

b) Companies learn the structure of the community

After companies locate the places where their customers are, they spend some time observing how the group works, who its leaders are, and the kind of language and tone the members use with each other.

c) Companies listen to the conversation

This is the step that precedes the actual participation of the companies in the conversation. After companies identify multiple social media channels to track, they dedicate one or more staff members to social media, whose responsibility is to keep track of the sites chosen, coordinate responses to conversations, and incorporate data from conversations into the companies' CRM systems.

Listening is facilitated by social media monitoring and sentiment measuring tools. Listening tools can tell what is being said and where, whereas sentiment tools can gauge the general tone of the conversations that relate to the company.

d) Companies engage with customers

When a company is ready to engage with customers in a social media conversation, it establishes clear rules about who does the talking and where they do it. Someone from service could participate in conversations on a site where service issues are discussed, whereas an engineer would be appropriate on a site geared toward developers.

Sometimes companies also start their own conversations. It could begin with a legitimate question about its customers and what they are thinking about the same. This approach can deliver actionable intelligence more quickly and inexpensively than a formal survey.

e) Companies make use of the learning

Technology has its limitations in that it cannot automatically detect the social media data relevant to the business and sort it by the customers or accounts. People engaged in conversations and monitoring social media sources manually incorporate important information into the customer records. The use of social media information also involves careful process design. For example, since a call for help in social media is heard by many people, the transfer of responsibility from social media monitor to a designated service contact to the service personnel who can respond is important. The same is true for sales, marketing, and product development.

The above steps are only of generic nature. The company that is planning to develop a social CRM strategy needs to customize and detail this with respect to the industry it operates in, its brand value, its products and services, the geography and culture it operates in and any other unique characteristics the company has that has potential to impact its social CRM initiative.

Summing up, we discussed general concepts of CRM and social CRM. We explored some case studies of companies that have successfully utilized social media and the strategy they employed that serve as benchmarks for our case company. We deduced the best practices on social CRM strategy from those benchmark companies as well as from CRM experts.

4 Analysis of CRM Process in the Case Company

This section analyzes the current CRM process in the case company and discusses the level of Social CRM as it is existent now.

4.1 Overview of the Current CRM Process

Presently, the case company has a company-wide customer relationship management (CRM) process in place, but some departments or groups have modified the process to tailor their individual needs.

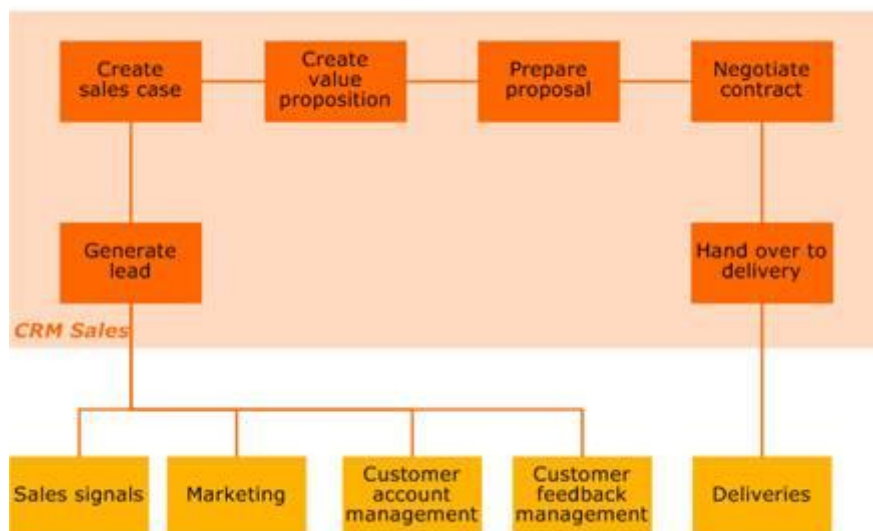


Figure 4. Company-wide common CRM process in Case Company

The above figure describes the company-wide CRM sales process. Once a lead is generated (step 1), a sales case is created in the CRM system (step 2). Based on the customer and her requirements, a value proposition is formulated for that sales case (step 3). Once the value proposition is finalized, a sales proposal is prepared for the customer (step 4). Then the contract is negotiated with the customer (step 5) before handing over to delivery (step 6).

The company uses several tools for supporting different sales activities. Below are some of the used tools with short descriptions. But the main tool used for CRM activities is called "CRM Data".

Tool	Short Description
CRM Data	Contact Relationship Management to be used to search/request changes and manage organizational data and contact persons related to customers and other organizations related to Tieto.
Customer and Contact management	CRM Data functionality for customer data management, customer relationship handling, sales handling and marketing handling.
Customer Experience Management	Functions to handle - Customer Quality Pulses - Delivery Quality Pulses - Annual Customer Survey Interviewee Lists and Interviewer selection
Tieto Calendar	CRM Data functionality for viewing events and common meetings.
Opportunity Management	CRM Data functionality for opportunity handling, visible only for Sales users.
Control Point Review (CPR)	Excel file with support to follow the decision making process for large cases. The excel should be filled and saved to the related opportunity's Teamer site.
Sharepoint	Opportunity sites to collaborate with document during the sales process. Customer Sites to collaborate in the customer teams.

Table 4. CRM Tools used by the Case Company

4.2 Variation of CRM Process in Individual Business Units

Even though the CRM process and tools described in the previous section is followed as the primary CRM process across the company, some differences are allowed in sales handling phase depending on the nature of the sales case. For example, a three month consultancy assignment is treated differently than a five year take-over of an IT department. Furthermore, some business units have tailored the high-level CRM process to suit the needs of their primary large customers.

For example, the Devices R&D group in the case company has redefined the CRM process, keeping in mind the requirements of one of its largest customers, which is a global telecommunication company. Figure 3 below describes the five-step CRM process currently implemented in Devices R&D group of the case company.

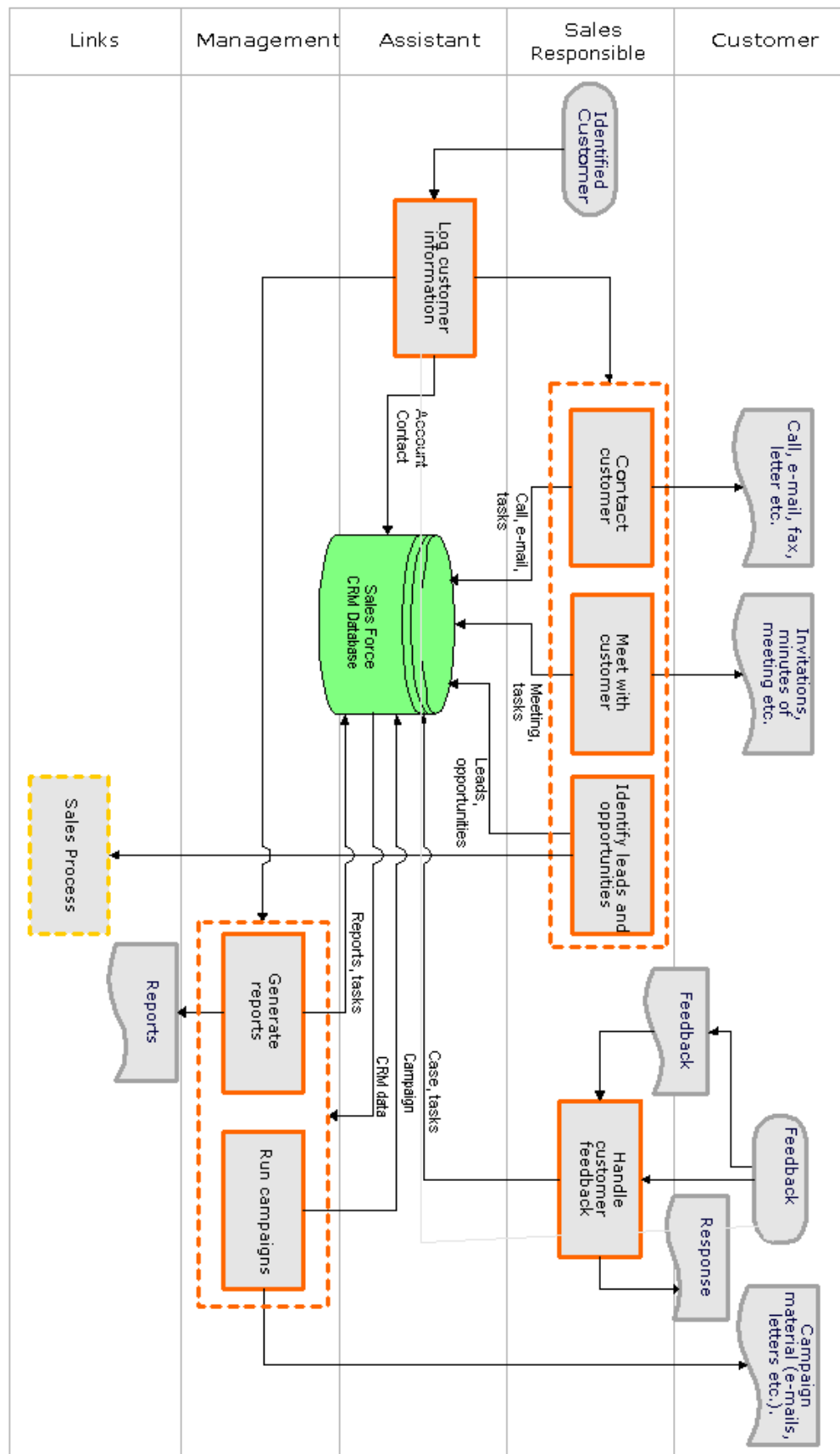


Figure 5. CRM Process in Case Company.

As shown in Figure 5, the CRM process, if described from individual customer's point of view, can be presented as a five-step process. The process is initiated by the customer (step 1), who meets or contacts a sales representative (step 2), sending the customer information to the Customer CRM database, using assistants (step 3) and management levels (step 4), which should subsequently end in sales.

The underlying philosophy of the CRM process is that of a continuous process, with the basic activities repeated and reflected in the customer interface of the existing CRM system. If looked into in more detail, the process starts (step 1) when a new customer is identified (or an existing customer's information is changed) and logged in the CRM database. After this, all "normal" customer interactions are carried out by sales persons (step 2), and the activities are recorded in a specified form in the CRM database.

Additionally, as part of the CRM process, the handling of customer feedback is also counted as step 1, with the feedback being positive (successes) and negative (complaints, reclamations). These activities, along with the response sent to the customer, are also recorded as cases in the CRM database (step 3).

Further on, management (step 4) generates sales and marketing reports, e.g. statistics on won and lost cases, marketing activity reports from the CRM tool and decides upon actions based on the results. Management can also run focused sales and marketing campaigns based on the customer information stored in the CRM database. During the CRM activities, new leads and opportunities are identified, and the sales process is initiated.

As of inputs of the current CRM process, they include any new identified customer or a customer whose information (position, contact information, etc.) changes, as well as any feedback from the customer. Importantly, there are two entry criteria for the process. First, the current CRM process requires that a customer is identified and logged in the CRM database. And second, the current CRM process needs that any sales responsibility for the customer is assigned to, based on customer segmentation.

The outputs of the current CRM process include contacts and meetings with the customer, response to customer feedback from the company representatives, reports on marketing and sales activities, marketing and sales campaigns and any related campaign material, with all these CRM activities recorded in the CRM database. Finally, there are no defined exit criteria for the customers involved in the CRM process, since all the activities continue as long as the customer remains a customer.

4.3 Feedback from Users of the Current CRM Sales Process

Three separate interviews were conducted with the users of the current CRM system in the case company. Feedback was collected on strengths and weaknesses of this system and their suggestions for improvement areas.

	<i>Informant</i>	<i>Business Unit</i>	<i>Position</i>	<i>Time/Mode of interview</i>	<i>Date of contact</i>
1	Hans Prag	Customer and Marketing Operations	CRM Process and Tool Manager	Email	12.04.2012
2	Gohar Saleem	Devices R&D	Pre-sales executive	Email/Telephone (30 min.)	03.04.2012
3	Timo Helander	Devices R&D	Sales Director	Face-to-face (45 min.)	08.09.2011

Table 5. List of Informants.

According to Informant 1, *the existing CRM process* that is analyzed in this study is a process which is fully used in one particular business group of the case company, which the informant belongs to. It differs from the higher-level CRM process and system applied companywide. For example, salesforce.com is used only in this group within the whole company. In this group, Salesforce.com is primarily used at the front end, so that the information to the company's core CRM system is updated manually or semi-automatically by the personnel of this group. The informant confirmed the existing CRM process is correctly described in this study.

The informant suggested that, ideally, all these information should be recorded into salesforce.com, so that there is centralized information that can be co-related with other customer data. But in practice it seldom happens in the case company, compared to some similar companies who log all information about customers in one place. He sees a possibility of improvement in this area for the case company.

According to the informant, the existing CRM process is implemented in the following order. The sales personnel identify customers, and then input the data about the customer into salesforce.com. Then they contact the customer and log all conversation, emails etc. to salesforce.com. If there are meetings, then they put those to CRM and log all the meeting minutes. If they identify the customer as prospect or lead, then they put those into salesforce.com as leads and if the prospect qualifies as a concrete opportunity, which is logged. To qualify a lead as an opportunity it is required that they at least have a call or meeting with the customer and have clear understanding that this is an opportunity. But practically, not all leads are recorded. Only those leads that qualify as opportunities are only logged.

Then there are tools for generating reports. They also use campaigns for customers such as sending Christmas cards, arranging customer events.

To fetch customer feedback, though there is provision to use salesforce.com as a tool, normally it is not used. There are two ways how customer feedback is collected. First, the one related to projects in terms of a survey where the project owner asks the customer a set of questions. In addition to that there is a once-a-year customer satisfaction survey where a select group of customers are invited to participate in the survey. The company executives meet them, and then the survey is gone through. Then there is a company which generates reports based on those data collected from different groups company-wide. Then they compare results of different business units.

When asked about the improvements that may be needed to the current CRM process and system, Informant 2 mentioned that he would like to simplify the tools usage in the CRM system. By simplification, he meant removing standalone tools and Microsoft Excels that are widely used in the organization. He also said that the company is currently working on mobile-enabling of some existing functions and to make the sharing of information easier. On social media usage in CRM, the informant finds that it is very seldom used in sales as compared to marketing. In marketing, it is used selectively in marketing communications only. He also mentioned that the case company is looking into the possibility to make the contact person data closer to social media. According to the informant, even though the case company operates in a B2B environment, *sales* is still done to *people* and in this context, he thinks that a do-it-yourself wiki would be nice to have.

Informant 3 also shares the same opinion that social media is not sufficiently used in the sales process in the case company. He has used some internal social media tools that only marginally help in pre-sales process. According to the informant, social media can certainly be used to better understand customer's pain points because most of the time while people are on social media they are more relaxed and give good hints of their pain points than, for example, in formal business meetings. He thinks that one way to improve our 'participation effectiveness' would be to comment on company's customers' entries on their social media channels. This way there would be public appreciation for company's customers and consequently better and improved relationship.

The feedback received from the informants can be summarized in the following table.

<i>Informant</i>	<i>Strengths</i>	<i>Weakness</i>	<i>Improvement Needs</i>
Informant 1	State of the art CRM system	Process strictly not followed Social media underutilized	Social media integration Centralized customer data including conversations
Informant 2	Mature CRM process CRM process and system evolution plan already in place	Social media used only in marketing, not in sales Fragmented and standalone tools	Customer wiki page Mobile sales for improved productivity of sales personnel in customer premises
Informant 3	Customizable CRM process	CRM system not fully utilized by pre-sales personnel Social media support inadequate	Participation in customers' social media conversations

Table 6. Summary of Feedback from Informants

As can be seen from the above description, all the informants have common views about the strengths of the current CRM system and process. They all agree that the social elements are inadequate in the current process. But they have varied ideas on how to improve on the existing system and process.

4.4 Analysis of the Existing Social Media Usage in CRM

As described above, the company does have a mature CRM process in place that is detailed enough, currently in use, and supported by a world-class CRM system from a popular CRM vendor. However, as can be seen from Figure 3, the company is still heavily reliant on traditional CRM practices. Though some social initiatives have already started on a small scale, they are not carried out in an integrated manner and do not provide a viable social CRM complement to the existing CRM process.

Based on the information gained from the literature review, as well as the research interviews in the case company and personal observation, the analysis of the existing CRM can be divided into several parts: *social networks; tools; metrics; social CRM customers; social CRM strategies* implemented in the case company.

As far as participation in *social networks* is concerned, the company has presence in popular social media channels, though they are not specially promoted to the outside world.

Case company and Facebook



Figure 6. Case Company in Facebook.

A Figure 4 shows, the company does have an official profile in Facebook, maintained by a dedicated team in the company. It has adopted the new timeline concept in Facebook. The company actively publishes information on technology events it participates in, as well as community issues it is involved with.

But as can be seen clearly in the discussion section, there are currently very few conversations going on in the Facebook wall. Besides, most of the conversation in the discussion section (publicly visible), at the moment, is primarily limited to the case company employees. From social CRM point of view, the customer (or even general public) conversation is more important than the conversation merely among employees. The company sponsored announcements, for example about its successful participation in technology fairs, do not seem to incite enough interest among participants from outside the company, evident from the lack of discussion for those topics.

Though for a B2B company, such as the case company, it is not expected to have a large fan base compared to that in a similar sized B2C company, it has only 1610 “likes” (as of 04 April 2012), which is quite low given the size of the company. Though number of “likes” is not a major but only a passive indicator of the strength of a Facebook profile, it does give a fair indication about the effectiveness of the initiative.

Case company and Twitter

The company is also active in micro-blogging sites, most noticeably in *Twitter*.



Figure 7. Case Company in Twitter.

As Figure 5 shows, the company has an official account in *Twitter* which is marked by fairly active contribution from the company. As can be publicly seen in their profile, it has 332 tweets, 293 following and 1054 followers (as of 04 April 2012). With respect to the size of the company, this number is not significant enough.

Case company and Blogs

As far as *blogging* is concerned, the company has a primary blogging site called “Tieto Blogs”.

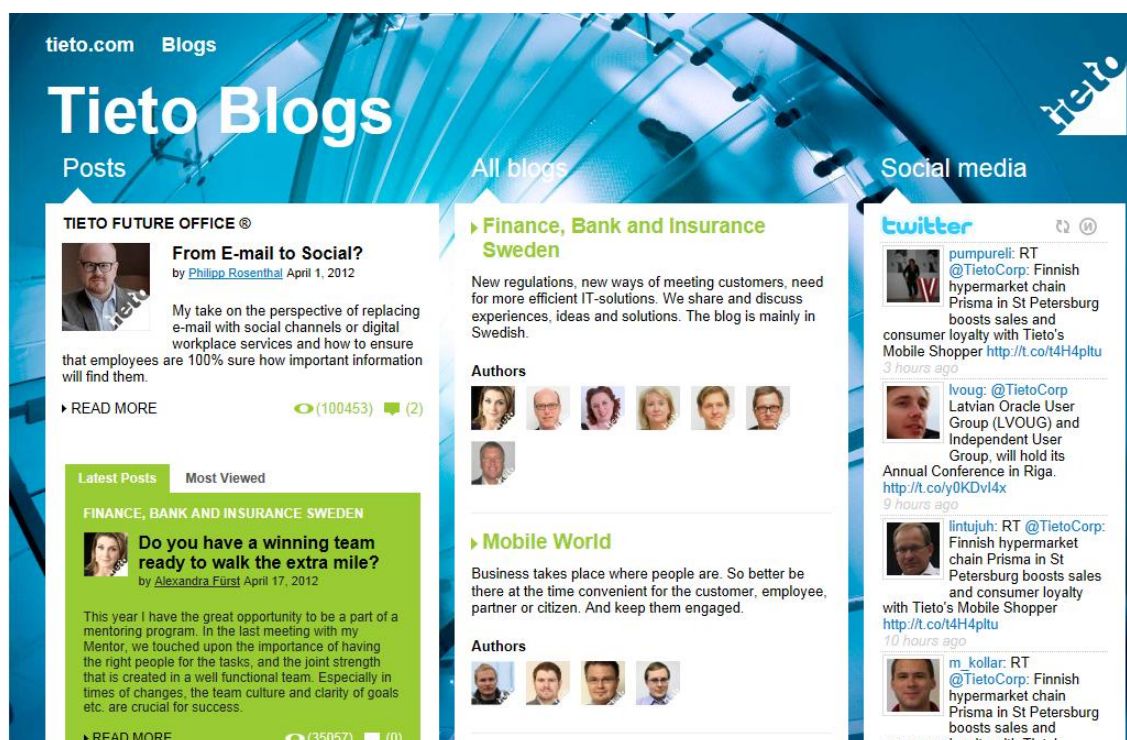


Figure 8. Company's Primary Blog Site.

As Figure 4 shows, the company a dedicated general-purpose blog. The format of the content and the layout are very professional. The latest posts, as well as other posts are positioned in an intuitive manner.

The blog appears to be fully featured, with active participation from a number of key people in the company. The content of the blogs were of fairly good quality with topics varying across all the domains the company works in. The events where the company participates are covered separately and extensively, that serves as a good marketing message to the public. But there are negligible comments on most of the blogs, indicating lack of popularity and awareness of the same. The blog is linked to the company's Twitter account. This indicates that the company has partly implemented the integrations of its various social media channels. The other social networks that the company has presence in, like Facebook or YouTube were missing here.

There are several other tools and avenues where a company can take advantage of this new media, but the above mentioned areas are the most popular means by which a company's foray into social media space can be easily judged.

The social media channels mentioned above are stand-alone tools and they carry marketing messages of the company to the public. But these channels are not directly linked with the CRM system or the process in a structured manner. Thus the sales per-

sonnel utilize the standalone social media tools and the CRM system separately to carry out sales and marketing. A process combining these two systems is still lacking, which is confirmed by the informants in the interviews as explained in the previous section.

4.5 Social CRM Needs in an IT Services Provider Company

Based on the current state analyses of the case company, as well as the theoretical search and analysis of the best practices complemented with the research interviews, some generalizations about the needs for Social CRM for IT services providers may be possible to consider.

First, though numerous tools are available to help implement a social marketing strategy, they are all predominantly focused on consumers and their relationship with the B2C companies. But this phenomenon has not left the B2B segment untouched. IT services companies (the league the case company belongs to), being B2B oriented by nature, have their own unique characteristics so far as their relationship with their customers are concerned. Preparing an operating model for the case company requires identifying these characteristics and subsequently tailoring the best practices in Social CRM to suit the company's needs. It was proved by the informants in the interviews.

Second, a flexible framework that allows the easy observation of what customers are doing and saying is needed. Unlike a B2C company, a B2B company relatively has fewer customers whom they serve. Finding an intelligent way to engage those few customers is a challenge for a B2B company. It was derived from the interviews with the informants, as well as case studies of Fiskars and Proctor and Gamble.

Third, having presence in social networks is the first and relatively easy step. But integrating those channels with the existing CRM system and process is seemingly a much harder task. All the informants in the interviews were unanimous on this fact.

In summary, the case company has not fully attempted to embrace social media into its CRM landscape yet and we will explore some possible ways how it can do so in the following chapters. Presently, in order to have a competitive advantage, the company needs to catch up with the recent advances in the CRM realm, especially in the part driven by social media. This Thesis aims to find the steps the case company needs to take, which, with the help from the leadership, can take the company to a new level of CRM support.

5 Building Proposal for Social CRM in the Case Company

This section introduces and discusses the improvement proposal using social media in CRM for the case company, which is developed based on the theoretical and best practices search, and the current state analysis of the case company CRM and Social CRM processes. The proposal consists of: a) the Social CRM strategy and b) the Social CRM strategy implementation.

5.1 Strategy for Social CRM

There are two main elements of the strategy which can be stressed in the proposal for the case company. A key element of the improvement proposal is *a flexible framework* that allows for easy observation of what customers are doing and saying. But the case company also should be careful to balance the *online feedback* it gains from its current and prospect customers. While such feedback can provide valuable intelligence on what customers are thinking, too much focus on one source or one segment can lead to a distorted, narrow perspective. The company, therefore, needs to integrate the data it gathers from online channels with other, more holistic quantitative and qualitative data gained from other sources. Starting from these assumptions, the proposed strategy consists of the following steps:

Step 1. Getting to Know the Customer. The case company needs to identify who their customers are. Knowing who the company's customers are may become a challenge for the company since customers can change in a dynamic business environment. Traditionally, companies tend to consider *paying customers* as their only customers. However, Sales consultants, Management, Suppliers, Business partners, Independent agents are all potentially customers for a company.

While in a B2C environment, the paying customer, who is an individual consumer, is the customer that is commonly known, in a B2B environment, to which the case company belongs, that paying customer can be a member of the senior management from another company. Importantly, the company has to engage not only the senior management as customers but those who influence the senior management. If the company does not treat its sales consultants or suppliers as customers, it can cause damage that would impact its ability to sell to those potentially paying consumers.

Step 2. Considering the 'Personal' Factor. Personal benefits to the stakeholders who will be responsible for execution of the strategy or those who will be impacted by the strategy have to be considered when developing the business objectives. While ultimately it will not be possible to please everyone, the company can attempt to incorporate the idea that it is creating a "community of self-interest." On a practical level, that can include incentives to make improvement in customer experience worthwhile, which would mean changes in compensation for employees who focus on customer satisfaction; supplier premiums for beating the baseline guarantees of SLAs; partner rewards for customer satisfaction to be applied for benefits; and tools for the customer to not only manage but create their own experiences.

Step 3. Creating Mission and Vision Statement. Once the benefits to the stakeholders have been identified, the next step is to put together a corporate mission and vision statement involving Social CRM goals. The idea is that the company is developing a customer-centric corporate strategy focused on the objective of customer engagement. According to Paul Greenberg, the mission and vision statements are anchors for the entire strategy, being short versions of the entire strategy and programs (Greenberg 2009: 363). Marketing messages are subsequently aligned with the new mission and vision statements.

Step 4. Setting Objectives/ROI. The ROI measurement outlines what kind of return the company is looking for. Next step in strategy formation is to formulate the objectives of Social CRM as ROI measurements. The challenge here is that such objectives vary from company to company, and there is no real template to follow. Moreover, the company objectives can be intangible or nonmeasurable. Before stating ROI, the company needs to clearly formulate its objectives as for the entire Social CRM strategy.

Step 5. Developing a Business Case Including Cost/TCO. In this step, the justification of spending money on Social CRM is considered. At a more general level, the elements of the business case will include: to develop a Social CRM strategy to support the core business strategy; to select business metrics to support the CRM strategy; to establish a baseline for these selected metrics before the project begins; and if possible, to benchmark performance against IT industry peers, as well as to describe the capabilities of the CRM application; to negotiate targeted improvements using the

baseline metrics; to convert the targeted improvements into financial results; and to develop the TCO and finally to calculate the ROI.

Strictly speaking, the above mentioned business case can equally be considered not as a step in the strategy, but rather as the documentation stage for the strategy and all its elements, and justification of the program for the decision makers.

Step 6. Risk Assessment. Risk assessment and mitigation should not be a major factor while doing a CRM project. They have to be done because it is necessary to understand what might go wrong. It helps to figure out what to do to deal with a future problem. But there is no need to spend enormous amounts of time on risk assessment and risk mitigation.

Step 7. Checking Business Requirements; Streamlining Processes. The company currently uses CRM software from salesforce.com, and if the company chooses to stay with this vendor, it needs to focus on the features that are required by the identified business processes. One commonly found problem in CRM strategies is that the technology tends to become the predominant factor in determining how the business is to be run. It is not the technology, but the relevant business processes that should form the basis of a CRM strategy. Therefore, the case company needs to reassess every single process the company uses and discard those that are not valuable to the company and the customer. This may sound as a major task, but for the company to fully use the Social CRM advantage, it needs to modify those processes that exist currently, wherever appropriate and add those that are missing. After that, the company can evaluate which Social CRM applications are to be used based on the particular processes needed and the specific performance objectives of the company.

Step 8. Developing Metrics/KPIs. The last step in the strategy is developing metrics for Social CRM measurements. While the quantitative aspects of CRM can never substitute human judgments and experiences, they are nevertheless an important part of the Social CRM strategy. Key Performance Indicators (KPIs) are one of the best ways to account for how a Social CRM program is doing against initial expectations. In order to establish the appropriate KPIs, it is important to establish performance objectives for each department or sector of its business. Once those objectives are set, then the relevant KPIs can be established. CRM-related KPIs (both tactical and strategic) would include such variables as: *Revenue per salesperson* or *agency (sales)*, *Ratio of*

administrative to street time for salesperson (sales), *Customer lifetime value (CLV)* (sales), *Response rate percentage* of increase for marketing campaigns (marketing), *Queue time reduction* (customer service), and *Increased up-selling and cross-selling opportunities over time* (customer service, sales).

Summing up, the proposed strategy focuses on key elements that form the basis of the strategy and suggests guidelines detailing those elements. It consists of eight steps and is complemented by particular suggestions for its implementation which are described in the following subsection.

5.2 Proposed Implementation for Social CRM Strategy

After the development of the strategy, it is important to create a framework for its implementation. The Social CRM strategy implementation framework can be considered as involving: a) business processes and b) technology as enablers. Regarding the case company situation, the two following tools are proposed as major enablers for its implementation.

Tool 1. Blogs. For the case company, blogs can be considered among the most important of the new tools to communicate with the customers. To use this tool effectively, the company can consider hiring a chief blogger whose role would be to monitor and write blogs. The company should pursue blog monitoring as a core activity, which provides valuable information about *raw customer conversations* in blogs. One of the tools that the company can consider using is the well-known service from Technorati to monitor blog traffic.

Importantly, the purpose of the company's blog maintaining is not to drive revenue. It would be to increase the level of trust in the organization with its customers. For those blog readers to trust the company, the company needs to be authentic and should be seen as a company that is willing to be criticized if that improves its performance.

In order to implement blogging as a core SCRM process, the following measures can be undertaken:

a) Mastering the tool. The company learns about the tool and the culture of blogging in general, which can be done by spending time reading/following other blogs and under-

standing how they work. Setting the expectations for the blog, both internally and to the potential readers, needs clear guidelines to be developed.

b) Assigning the blogger. The company makes sure that the chosen bloggers are able to write in a personable, passionate, and authentic way, and can be trusted to do it.

c) Focusing on the subject. The company makes sure it is focused on the subject at hand. This is a corporate blog and the subject is what the company is about.

d) Providing write access to the audience. Comments are turned on and the company allows readers of the blog to be able to say what they need to, whether it is good or bad. The company provisions that the bloggers, whether high or low on the corporate ladder, are accessible to the public reading them.

e) Ensuring authenticity. The company makes sure that it has an honest authentic story to tell as a company that the bloggers are empowered to tell in their own way. The blog links to important resources, even if at times they might have a contradictory interest for the company. This would improve the trustworthiness of the company.

f) Avoiding censorship. The legal department is not allowed to strictly control the blog postings. The company does not avoid difficult comments and responds to them.

Summing up, the company makes sure that it has a blog which is honest, focused, unbiased and managed by competent people.

Tool 2. Podcasts. For the case company, when developing a customer engagement strategy, a podcast can be considered as a second Social CRM tool, which, unlike the blogs, needs more attention for being effective. In B2B podcasting domain, the customer is another business instead of an individual customer. In order to implement a successful business podcasting strategy, the company may adopt the following guidelines.

Guideline 1. Being relevant. For the company to stay relevant, it pays special attention to a theme and the audience of its podcasts. Choosing the right audience helps elevate the company's content above the content and scores of its competitors, sending content through traditional channels. But for this tool, it is not enough to only focus on this audience. Through podcasting, the company adds value for its customers. Under

value for customers, various types of information are meant, for example, insights into why this organization is a worthy investment. It might, for instance, pick a focus of its R&D efforts and give it a bit more attention than usual; talk about customer satisfaction metrics; or conduct an interview with one of its thought leaders.

Guideline 2. Being entertaining. While the company's B2B podcasts need not be predominantly entertainment-focused, it employs enough entertainment elements to make it interesting to listen to. Solid content is not compelling if it is delivered in a lone monotonous voice. The content ideally adopts a format of the show, including musical intros and outros, new features, thus taking advantage of the medium. The purpose here is to be liked by the listeners, and for this goal the content/format needs to be changed from time to time.

Guideline 3. Building and engaging the community. Podcasting does not need to be one-way, top-down in nature. The company ensures that its podcasts build communities of listeners the members of which interact with the podcaster. For example, the company would express an interest in a subject and ask for input. Listeners would send what they know by email and audio comment. Other listeners would comment on what the first round of listeners said. The company would respond and ask more questions and the discussion would go on enriching itself.

Guideline 4. Avoiding advertisement and sales talk. The audience generally does not want to subscribe to and download a commercial. Therefore, the company brands its IT services by being the provider of useful information and avoids turning its podcast into an advertisement at all costs, regardless of what the marketing department would want.

Guideline 5. Being authentic. Businesses often are inclined to overproduce their media, striving to be as good as mainstream public media. While podcast listeners do want to be entertained, their primary interest is in content, not polish. A podcast hosted by voice talent reading a script will be dismissed, while listening to a real engineer or designer or brand manager, with realistic voice pauses will be compelling, as long as she is talking about something the listener cares about.

Guideline 6. Being mindful of the listeners' time. Depending on who are the listeners, podcasts ideally do not exceed 20 or 40 minutes. With a business podcast, the compa-

ny would be asking its customer (or prospective customer) to give her attention to the organization's content. The company makes sure it fills the time with something useful enough to make the exchange worthwhile.

Guideline 7. Integrating the podcast into the blogosphere: The Company should integrate its podcast with its blogosphere. The podcast blog page should contain show notes that listeners truly appreciate. Not many businesses adopt this practice; hence by adopting this, the case company can stand out in the crowd.

In essence, the company provides podcasts that are relevant, authentic, entertaining, and free of bias and which integrate well with other social media channels.

Tool 3. Wikis. We earlier discussed about the usefulness of wikis in the context of Social CRM and how it can create a participatory knowledge base for service and support organizations. Having wikis does not mean that the operational CRM systems have to be replaced by something newer and more contemporary. The case company is already using CRM system from salesforce.com. For wiki purpose, a salesforce.com extension tool like SamePage offers additional value to the company's social CRM benefits.

A tool such as SamePage facilitates seamless knowledge-sharing and collaboration between the company and its business associates by creating engaging, collaborative and secure extranets. SamePage can be used for a variety of collaboration initiatives, including; engaging the prospects by soliciting ideas on services direction, providing effective support to the customers by enabling them to raise support tickets inside SamePage extranets, offering an intuitive interface to enable a user to easily create, edit and disseminate content; providing an easy-to-administer and secure Web 2.0 application that can easily scale to support thousands of users; facilitating quick and powerful search through all the content and attachments; giving the ability to rate pages, enabling the company to view metrics on usage and popularity inside different Wiki projects and supporting plugins including RSS Feeds and YouTube videos.

Summing up, both CRM and SCRM need to be strategy-led and people/process/technology-enabled. This phase begins with the key mind-set shift from "Inside-Out" to "Outside-in". Without this change in the mindset, the subsequent phases would be meaningless.

6 Evaluation of the Proposed Model

For the evaluation of the improvement proposal, it was reported to one of the sales directors of the case company, who provided his feedback on the feasibility of this proposal, as well as commented on its strengths and areas for further development.

The informant evaluated both, the analyzed CRM process (Section 4) existing in the case company, presented in this Thesis, as well as the proposed model for the Social CRM process, and made his comments/suggestions.

6.1 Proposal of the Strategy for Social CRM in the Case Company

The informant evaluated the proposed strategy (described in Section 5) and gave some comments on each of the steps proposed.

The informant agreed that the mission and vision statement of the company can be aligned to accommodate social CRM. He understood that this would mean involving the top management of this large organization, which may be bureaucratic, but he also emphasized that this is a mandatory step in order to have an effective social CRM implementation.

The informant had the same opinion that measurement is hard to execute in social CRM and should not be over-indulged. But he still thought that it is possible to measure and suggested a few metrics that were not included in the proposal. According to him, the *Conversion Rate* is one of the most important metrics to be followed. One of the ways in understanding where a lead came from is to know when someone clicks on a social media link and then converts. A common way to do this is to place a "cookie" on the user's machine with the campaign name for the social media channel that generated the click. The company can then use the campaign reporting to track the number of leads and conversions generated. He also suggested to measure customers generated via social media compared with those coming from traditional channels.

On risk assessment, the informant said that contrary to what has been proposed, he thought risk assessment should be an important strategic step. According to him, when the customers, employees or other stakeholders participate in social media channels, it

is important to observe if the conversation is positive or negative, for which tools are available in the market.

On business case, he thought that negotiating targeted improvements using the baseline metrics is hard to implement.

6.2 Proposal for the Implementation of Social CRM in the Case Company

The informant evaluated the implementation proposal of the strategy (as described in Section 5) and gave some comments on each of the proposed tools, channels and platforms.

6.2.1 Wikis

The informant thinks that there should be some kind of open forum where not only the sales people (who primarily use salesforce.com), but anybody who is involved in customer related work on a project level should be able to share information. Project managers, engineers should all be able to participate in this conversation. And there should be proper ranking algorithms to filter out the irrelevant data.

6.2.2 Blogs

The informant agrees that blogs traffic monitoring is a good thing. But he would like to extend it so that if a tool is able to extract all these information and show it as a snapshot that would be greatly helpful. This is something the informant currently does, but he does it manually. He is not sure if the company employs any dedicated resources for blogging, but he agrees that at least some key people can focus on blogging the company's strengths. He then gave example of a failed case of blogging, where an important person in the company who was very active in blogging, actually pushed his very strong personal messages regardless of the company's interests.

6.2.3 Podcasts

The informant has the opinion that he has not known the case company to be active in podcasting, but he thinks if the company wants to project its image as an expert in certain area, then having a series of podcasts would be a great channel to achieve the objective. But he also commented that since the company is a relatively large company, to have something on the corporate level on podcasting, is tough.

6.2.4 Youtube

This has not been explicitly included in the proposed social CRM model. But according to the informant, the company is active on YouTube and publishes several informative videos. And what he would further like to have from this channel is that he would like to get a list of people who watch these videos. This list could point to some existing or potential customers. He is not sure if this is possible, but this is something he would love to have to extract the maximum from the YouTube channel. This would justify the investment in making such videos. Alternatively, he suggests that using these common social networking channels to redirect the viewers to wider content that is actually stored in the company's website would give the company greater control in identifying who watches or listens to those videos and podcasts.

The following table highlights the feedback from the informant during the evaluation of implementation part.

<i>Tool</i>	<i>Feedback from the Informant</i>
Blogs	The blog traffic monitoring should be strengthened by strong reporting functionality. Some tool or mechanism that extracts all the data and shows the summary as an intuitively presented snapshot, is something the informant like to have and use.
Podcasts	Informant agrees that podcasts should be added to the company's social media portfolio. But he is skeptical if podcasting initiatives get any traction on a corporate level in such a large company.
Wikis	Informant would like the accessibility and usage of the company's customer wiki page beyond sales personnel. He thinks also involving anyone indirectly related to customers, such as engineers and project managers.
Youtube	Informant especially emphasized utilizing this channel. He would like to have a mechanism placed that can monitor who really watches the company videos.

Table 7. Feedback from the informant during evaluation of implementation proposal.

As described in the above table, the informant added some relevant enhancement ideas to the existing proposal as he understands the strengths and weaknesses of the case company's CRM system and processes substantially better than the researcher.

6.3 Case Company and Social CRM: Future Vision

According to the informant, the social dimension of CRM is two-fold; it can be external and internal. External channels primarily utilize tools such as Facebook and Twitter.

He says that if there is a Facebook page for the case company (in fact, there is as mentioned in Section 4), and if there is a customer who visits the company's Facebook page frequently and comments (positive and negative) on that page, then the informant would like to have that information automatically into salesforce.com in an integrated manner (combined with data also from other sources like Twitter) in a meaningful way.

But the informant also acknowledges that though there are ways to achieve this via tools, for B2B companies this typically does not happen as there are only a handful of identified customers compared to potentially much larger customer base for B2C companies.

He also mentioned that social channels like Facebook and Twitter can benefit B2B companies in an indirect way. For example, tools can be used to gather comments and tweets from people in general about the customers that B2B companies have. This way they get a lot of useful information about their existing customers and what people think about them.

Summing up, this section presented the evaluation of proposal for social CRM strategy as well as its implementation. Though the informant accepted most of the recommendations proposed, he did add some very useful information to both the strategy and its implementation which aided to formulate a refined proposal as the next step.

This feedback session was very useful and important because he is one of the influential executives in the sales and marketing group for one of the biggest customers (a Fortune 100 company) that the case company had and he was in a position to evaluate the practical aspects of this model very clearly and easily.

7 The Refined Proposal

Based on the input from the informant, a refined proposal is prepared. The refined proposal for strategy as well as for implementation is summarized in the tables below.

<i>Steps</i>	<i>Title</i>	<i>Explanation</i>
Step 1	Know the Customer	Identify paying as well indirect customers who influence sales decisions
Step 2	Consider Personal Benefits	Provide personal incentives to personnel involved in execution of social CRM strategy
Step 3	Create Mission and Vision Statement	Modify the current mission and vision statement of the company to accommodate the social CRM strategy
Step 4	Set ROI Objectives	Clearly formulate its objectives as for the entire Social CRM strategy in terms of Return on Investment (ROI)
Step 5	Develop a Business Case	Identify elements of a business case which would justify spending money on social CRM
Step 6	Assess the Risk	Monitor if the conversation is propagating any negative sentiments about the company
Step 7	Streamline Processes	Reassess every process related to customer and tailor it to account for social CRM
Step 8	Develop Metrics	Key Performance Indicators (KPIs) need to be developed to assess the performance of the social CRM program against initial expectations

Table 8. Social CRM Strategy Steps.

<i>Tool</i>	<i>Guidelines</i>
Blogs	After mastering the tool in general, assign some key bloggers who would provide authentic, honest and censorship-free content for the audience.
Podcasts	Be considerate towards the theme and the audience of the podcasts by providing relevant content which are entertaining, unbiased and free of sales talk. Integrate the podcasts with other social media like blogs.
Wikis	Make use of the already available wiki tool from salesforce.com that has rich functionalities suitable to the company's needs.
Youtube	Monitor customers or potential customers who watch the company's published video content. These customers could be directly visiting the content in Youtube or being redirected from other social media channels.

Table 9. Social CRM Tools and Implementation Guidelines.

Major part of the proposed model was acceptable to the informant of the case company, though he suggested a few additions. Most notably his emphasis was on having analytical tools that aided in automatically collecting and filtering information out from the jungle of data available from social media. The company officially uses the CRM system from salesforce.com, which is a mature and respected CRM tool. Salesforce.com has extensive support for social media tools with easy integration with Facebook, Twitter, YouTube. Several third-party extensions available for salesforce.com that fulfill the requirements, the director wished for, in a Social CRM system. Thus, in addition to the strategy and implementation steps proposed in the earlier sections, it is recommended that the sales, marketing and customer support personnel of the company be provided with extensive training on the salesforce.com tool and the latest social features it offers.

8 Discussion and Conclusions

The final section of the Thesis presents a summary of the Thesis, the managerial implications followed by reliability and validity of this research.

8.1 Summary

Social networking is actively affecting various aspects of our contemporary lives and it has not left the business world unaffected including CRM. CRM has considerably changed in the last few years. It has a new kind of customer to contend with, a business ecosystem no longer controlled by the businesses that it represents, a new direction when it comes to its strategy, and a much more direct engagement between the company and customer necessary to extract any real value for both parties.

The case company has a functional CRM process in place and it uses one of the outstanding CRM tool available in the market today. But unfortunately, their foray into the social aspects of CRM has been marginal, less than what is expected from a leading large technology company. This research report attempted to find some directions and measures the case company may adopt if they do not want to be left behind in this fiercely competitive market.

The research attempted to find the best practices in the realm of social CRM, explored some benchmark case studies of social media success studies, collected data from the users of the CRM in the case company regarding the actual usage, strengths and weaknesses of the CRM system and process. All these information from the analysis phase are triangulated to arrive at a recommendation proposal for the company, which was then subject to further evaluation by one of the key stakeholders in the case company to finally produce a refined proposal. The reliability of the study has been ensured by collecting data from multiple sources for building part of the proposal, but the internal validity is weakened by the fact that the evaluation of the proposal is made using data from only one interview.

The results drawn from this research should be viewed in the light of the research methods employed. The research provides sufficient support as to the applicability of the many variables and respective conceptualizations provided in theory to the implementation of social CRM in the case company.

Thus, when answering the research question, it can be concluded that strategies and implementations proposals resulting out of this study, if implemented properly, can substantially increase the competitiveness of the case company in the industry.

8.2 Managerial Implications

Companies in the present times have powerful technologies for understanding and interacting directly with customers, collecting and mining information about them, and tailoring their offerings accordingly, yet most of them still depend on mass media marketing to drive impersonal transactions. Many of these companies use customer relationship management and other technologies to get a handle on customers, but no amount of technology can really improve the situation as long as companies are set up to market products or services rather than cultivate customers. The case company is no exception in this context. To compete in this aggressively interactive environment, companies must shift their focus from driving transactions to maximizing customer lifetime value (as discussed in Section 2.1.3) using social CRM. That means:

- 1) Changing strategy and structure across the organization and reinventing the sales and marketing departments altogether.
- 2) Building *a flexible framework* that allows for easy observation of what customers are doing and saying. But the case company also should be careful to balance the *online feedback* it gains from its current and prospect customers. While such feedback can provide valuable intelligence on what customers are thinking, too much focus on one source or one segment can lead to a distorted, narrow perspective. The company, therefore, needs to integrate the data it gathers from online channels with other, more holistic quantitative and qualitative data gained from other sources.
- 3) Both CRM and SCRM need to be strategy-led and people/process/technology-enabled. This is facilitated by the key mind-set shift from “Inside-Out” to “Outside-in”. Without this change in the mindset, the subsequent efforts would be non-effective.
- 4) The company must engage not only the senior management as customers but those who influence the senior management. If the company does not treat its sales consultants or suppliers as customers, it can cause damage that will impact its ability to sell to those potentially paying consumers.

- 5) The company must define the metrics against which the performance of a social CRM strategy will be measured.
- 6) The company must assess the risks associated with a social CRM program. Since the basic premise on which the concept of social CRM is based is loosely controlled, any negative sentiment against the company can go out of control if a risk mitigation plan is not already present.
- 7) The company must use the primary social media channels and tools judiciously and effectively. The use of corporate blogs, enterprise wikis, podcasts and Youtube are specially recommended.
- 8) All the social media channels and tools should seamlessly integrate with each other and with the existing CRM system for the data to flow smoothly across to get enriched in the process.

8.3 Validity and Reliability in This Study

Reliability and validity of the study are important factors. In this kind of study, it is easy for the researcher to influence the results of the case studies with his or her own opinions. In this case, the area which most probably suffers from the researcher bias would be the implementation part of the proposal, wherein, the technology background of the researcher would take the attention more to technology aspects than the business processes themselves that are the foundation of any Social CRM endeavor. To deal with this problem, all the strategy and process related steps of the proposal are finalized prior to making the implementation proposal involving technology and tools.

Huhta (2012) defines four important topics of reliability and validity considerations. These are truth value, which is important for the internal validity; applicability, to meet requirements for external validity; consistency, both internal and external, which is a mandatory requirement for reliability; and finally neutrality, which ensures the objectivity of the study.

In this study, due to its qualitative nature, there is always possibility of misrepresentation of perspective of the people studied. Therefore, special effort has been made to pay attention to alternative explanations fetched from review of the draft proposal by a key informant to ensure validity of the research.

In order to ensure reliability of this research, information and data has been collected from multiple sources and methods, such as literature studies, semi structured interviews and benchmark case studies, which offered credibility to this research. Interviews were conducted both face-to-face as well as in writing. The audio of the face-to-face interviews were recorded and stored for cross-verification. But the reliability of this study could have been further improved by conducting additional interviews with stakeholders in other business units in the case company which have slightly different versions of the CRM system than in the departments where the key informants belong to.

Though for the analysis part of the research, the internal validity has been ensured by using multiple sources of data, the same for the evaluation part has been compromised to a large extent in this study as the initial proposal is evaluated with only one interview to arrive at the final proposal.

Transferability is ensured by making the study generic enough to be applicable to any similar companies in the B2B domain. But it should be noted that the proposed recommendations are not the only way the case company or a similar company would be able to ideally execute a Social CRM program. Alternate strategies or differing combination of tools and technologies for Social CRM could as well fulfill the objective. It is also possible that due to the rapid advancement in the area of social media, there may arise need to adjust this recommendation proposal in the future.

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APPENDIX 1

Nielsen Company Study on Social Networking Trends

(Nielsen 2009)

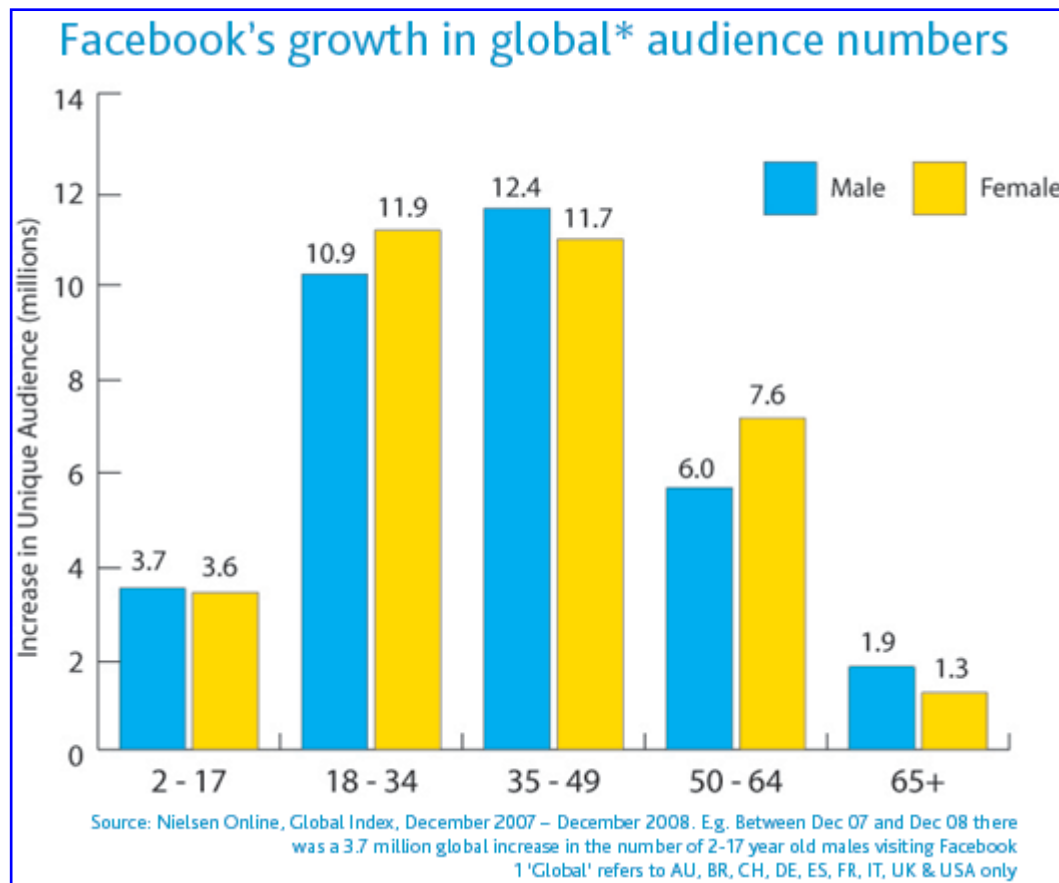
According to a Nielsen report titled "Global Faces and Networked Places" (2009), two-thirds of the world's Internet population visit social networking or blogging sites, accounting for almost 10% of all Internet time. The study further suggests that the percentage is likely to grow as time spent on social network and blogging sites is growing more than three times the rate of overall Internet growth. (Nielsen 2009)

More Time for Community:

Time spent on social network sites is also expanding. According to the same study, across the globe in 2008, activity in 'Member Communities' accounted for one in every 15 online minutes, which has grown now to one in every 11. In Brazil, the average is one of every four minutes and in the UK, it is one in every six minutes, the study suggests.

Adoption in Wider Age Groups:

While social networks started out among the younger audience, they have become more mainstream with the passage of time. This resulted in the average audience becoming broader and older. This shift has primarily been driven by Facebook whose greatest growth has come from people aged 35-49 years of age (+24.1 million). From December 2007 through December 2008, Facebook added almost twice as many 50-64 year old visitors (+13.6 million) than it has added under 18 year old visitors (+7.3 million).



Mobile as a Key Medium:

As per the same study, the increasing popularity of social networks has resulted in increasing demand to access them on the move. Mobile is seemingly a natural fit for social networks, as consumers are used to connecting with friends via mobile calls and text. UK mobile web users have the greatest propensity to visit a social network through their handset with 23% of them (2 million people) doing so, compared to 19% in the US (10.6 million people). The numbers of people doing so are a big increase on 2007 – 249% in the UK and 156% in the US. (Nielsen 2009)

APPENDIX 2

Social CRM: Offerings from Salesforce.com

(Salesforce.com 2012)

The case company uses Salesforce.com as its primary CRM system. Just as social CRM can be considered a natural extension of CRM itself, Twitter CRM and Facebook CRM have been used as logical extensions and tools by Salesforce CRM. All three entities are located in the same place, which is the cloud. Therefore, if a company is using Salesforce.com's Sales Cloud or Service Cloud, it does not have to spend unnecessary time and money to connect third-party Twitter CRM and Facebook CRM applications to a traditional client/server CRM system. Instead, the company can extend the cloud-based Salesforce CRM application to connect with customers in Social CRM contexts.

Twitter CRM from Salesforce.com

Twitter is presently the fastest growing Social CRM channel. Millions of people turn to this platform to express opinions and communicate. Twitter CRM taps into these real-time customer conversations, and Salesforce for Twitter is a Social CRM platform that attempts to take advantage of this phenomenon. It equips a company for keeping tabs on its Twitter presence; helps promote its products, lead a dialogue with customers, monitor market sentiment, and assess the visibility of the company's Social CRM initiatives. .

Salesforce.com for Twitter gives a direct opportunity to use the popular social network to enhance interactions with potential as well as existing customers, by means of which, the customer becomes part of customer-driven conversations about its brand, products, and services that previously were not within one's reach.

Facebook CRM

With more than 500 million users, Facebook has become one of the most popular Internet phenomena . Given this fact, Facebook CRM should figure prominently in every company's Social CRM strategy.

The true power of Facebook CRM is that Facebook is not just a social networking destination. It is also a platform through which developers can extend Social CRM by integrating with Facebook's "open graph" through applications, external websites, and several kinds of devices from notebooks to tablets and smartphones.

In order to make Facebook an integral part of an overall Social CRM program, Salesforce.com offers Force.com for Facebook; a free set of tools and services that lets developers combine Facebook with Force.com to create new kinds of socially driven business applications.

With Force.com for Facebook, developers can build Social CRM applications that let Facebook users plug into a company's customer service processes. One can also create applications that let the company staff use Facebook for activities like recruitment, project management, and group collaboration.

Appendix 3

Questions for the Interview in the Case Company

The following questions were asked from the sales director of the case company in the semi-structured interview during the evaluation phase.

- 1. How much of the defined CRM process is actually practiced in the case company?*
- 2. To what extent do you use the CRM system (salesforce.com)? Do you apply it to day-to-day CRM operations in your company?*
- 3. Which part of the CRM system that is largely unused at the moment should, in your opinion, should be used in the company?*
- 4. What are the social media tools that you use (with and without the CRM system) for your sales operations?*
- 5. What is your opinion on the proposed social CRM strategy?*
- 6. What is your opinion on the proposed social CRM implementation?*
- 7. What, in your opinion, has been left out in the proposed model that should be included?*